



SOCIAL BEHAVIOURAL RESEARCH ON WOMEN IN THE INFORMAL ECONOMY IN CAMBODIA

DECEMBER 2025

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ACRONYMS AND ABBREVIATION

ADB	Asian Development Bank
BDS	Business Development Services
CDPO	Cambodian Disabled People's Organization
CEO	Chief Executive Officer
CLFS	Cambodia Labour Force Survey
CNCW	Cambodian National Council for Women
COM-B	Capability, Opportunity, Motivation, and Behaviour
COVID-19 2019	Corona Virus Disease 2019
FGD	Focus Group Discussions
GADC	Gender and Development for Cambodia
GDP	Gross Domestic Product
GESI	Gender Equality and Social Inclusion
HCS	Healthcare System
HEF	Health Equity Fund
IDI	In-depth Interviews
ILO	International Labour Organization
IPV	Intimate Partner Violence
KII	Key Informant Interviews
KTV	Karaoke Television
LFPR	Labour Force Participation Rate
LGBT+	Lesbian, Gay, Bisexual, and Transgender
LNOB	Leaving No One Behind
MEF	Ministry of Economy and Finance
MFI	Micro Finance Institution
MoLVT	Ministry of Labour and Vocational Training
MSMEs	Micro, Small, and Medium Enterprises
MoWA	Ministry of Women's Affairs
mn	Million
NBC	National Bank of Cambodia
NRVI	Neary Rattanak VI
NGO	Non-Governmental Organization
NSSF	National Social Security Fund
PPP	Public-Private Partnerships
RQ	Research Question
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
SDP	Sector Development Programme
USC	Universal Coverage Scheme
UHC	Universal Health Coverage
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
USD	United States Dollar

EXECUTIVE SUMMARY

This report, commissioned by UNDP Cambodia and executed by M-CRIL, considers the dynamics of behaviour influencing women's participation in Cambodia's informal economy. The study aims to leverage behavioural insights to identify the capability and opportunity limitations that affect women's motivation and influence their behaviour to join the informal work sector. By exploring the interplay of societal norms, gender roles, and economic realities, the research seeks to provide a comprehensive understanding of Cambodia's informal economy, and the challenges faced by women engaged in informal employment, a group that accounts for 87.6% of Cambodia's female working population.¹

This is a purely qualitative study. Data collection methods include 15 key informant interviews, 20 focus group discussions, and 12 in-depth interviews. A comprehensive desk review of relevant literature complemented the primary data collection. The study applies the iceberg model in conjunction with a behavioural insights framework (COM-B) and intersectional analysis to explore the factors, barriers, and enablers shaping women's employment decisions and the risks and opportunities of formalising the informal economy. The research aims to inform targeted interventions and gender-responsive policy developments that could enhance women's capabilities and increase their opportunities, thereby leading to greater socioeconomic and financial inclusion.

KEY FINDINGS

1. DRIVERS OF INFORMALISATION

- **Access to economic opportunities**, while influential, is not the sole determinant of women's work choices. Low levels of education and skills among women in Cambodia limit their capacity to access formal employment opportunities, pushing them towards informal work. This is particularly evident in sectors requiring specialised skills or formal qualifications. There are few formal work opportunities that align with the capabilities of the women interviewed in this study, and most were not aware of these opportunities. **Limited knowledge and awareness** of formal employment opportunities is a **medium** driver for women's continued engagement in the informal economy. This lack of awareness can be attributed to limited access to information, particularly among low-educated and low-income people. In some cases, disinterest in exploring other occupations is also a factor.
- **Social conditioning** has led to subconscious beliefs among women that certain types of work are inappropriate, and they voluntarily refrain from working these jobs to avoid social sanctions. These "**inappropriate**" occupations usually exist in the informal economy. This limits opportunities to earn income even further.
- The limited availability and low awareness of **training support programmes** offered by the government and **indifference of the private sector** are structural barriers that shape women's employment decisions. When programmes exist, inadequate outreach initiatives result in limited awareness about opportunities for skill acquisition, which leads to low access to formal employment opportunities.
- **Other structural barriers**, such as limited public transport and safety concerns, can also limit women's access to formal employment. These obstacles influence women, particularly persons with disabilities, towards more accessible informal work. Informal work is often more accessible, both in terms of location and accommodative infrastructure elements. These factors **strongly influence** women's employment decisions. Finally, women are also significantly motivated to work in informal settings because social security benefits are available for self-employed workers (in the informal sector).
- **Financial constraints strongly** impact women's employment choices. Women often prioritise immediate financial needs over long-term goals, leading them to seek out informal work that offers quick income, even if it comes with fewer benefits. However, financial constraints and lack of credit are **weak** determinants in the decision to formalise for sampled micro-enterprises, as most of these businesses do not meet the criteria required to formalise. Those qualified for formalisation apparently need greater motivation to formalise as well. There is a fear of taxation that overrides any perceived opportunity gained by formalising.
- **Gender roles and caregiving** are **strong** determining factors for women's employment choices. Rigid gender norms are visible as women often bear the primary responsibility for household chores, childcare, and eldercare,

¹Understanding the Paths to Formalisation in Cambodia: An Integrated Vision

limiting their ability to pursue often demanding formal employment. While women believe that they have autonomy in their choices, they sub-consciously adhere to social norms by choosing to seek income opportunities that align with the norms of caregiving and domestic work. Though some men are willing to share domestic responsibilities, their contributions are limited, due to traditional gender norms and expectations.

- Since there is a lack of formal opportunities that align with both their capabilities and with social norms, women often engage in whichever informal jobs can fulfil their needs. Women who are highly motivated but have limited capabilities may challenge social norms and engage in occupations that are traditionally male-dominated or socially stigmatised due to economic pressures. They are subjected to social sanctions, but they continue to work as there are no viable alternatives in their knowledge.
- Women with disabilities face significant barriers to formal employment. Direct discrimination like CV rejection due to preconceived notions about their work abilities is a factor. Indirect discrimination also plays a role, such as when employers don't hire women to avoid additional costs associated with accommodating their needs. These factors contribute to the exclusion of women in formal employment.
- **Habitual patterns:** Familiarity with routines, and the reduced stress associated with informal work can outweigh the potential advantages of formal employment. Even if there are suitable opportunities, women may lack the motivation to leave their comfort zone for an unknown environment with unpredictable outcomes and strict rules.
- **Past experiences** play a **medium** role in shaping women's employment choices. Negative experiences in formal work, such as harsh working conditions and lack of flexibility, can reduce women's motivation to accept formal work. Economic necessity and social norms also reduce women's motivation to pursue formal work.
- **Emotions** associated with caregiving, internalised over years of social conditioning, are enhanced as women embrace motherhood and witness their parents facing health issues. This deepened connection to family becomes a **strong determinant** of women's employment choices. This motivation manifests in conscious decisions to seek opportunities that enables fulfilling caregiving roles. Formal roles, with rigid structures and lack of flexibility to accommodate caregiving, lead many women to leave such jobs. They are reluctant to rejoin as well, based on past experiences and the ongoing struggles of other women in similar employment.
- Other motivations, such as achieving financial independence, positive sentiments associated with informal work, and a sense of comfort arising from a reduced workload, can reinforce these choices and make it difficult for women to transition to formal employment. Women derive a sense of emotional assurance from financial independence which, given their limited capabilities (education and skills), can only be provided by informal work. Financial independence also leads to autonomy, particularly in societies where traditional gender roles dictate their core lives.
- **Aspirations and goals** are **medium determinants** in shaping women's employment choices. Many women interviewed in the study have long-term aspirations, such as starting their own businesses, pursuing education, or contributing to their communities. They do not have the capabilities and opportunities to fulfil them. They fear taking formal loans to start a business as they are afraid that they will not be able to make timely payments which will lead them into a debt trap. These women may seek formal employment as a stepping stone to achieving their ultimate aspirations, viewing it as a means to secure regular income and access the necessary resources for their long-term goal of starting a business.

2. RISKS OF FORMALISATION

- Increased cost of living and stricter regulations associated with formalisation can dampen motivation and discourage women from seeking formal employment. Bureaucratic hurdles including documentation requirements complicate the process of formalisation, making informal work a more attractive option for many women.
- **Domestic risks** associated with formal employment include compromised caregiving duties and reduced self-care time. When mothers go to work the caregiving burden of children increases on the elderly and other family members. Both formal and informal employment contributes to this caregiving burden, albeit to varying degrees. The rigid schedule of formal work can cause mental exhaustion and some women will eventually leave their jobs if they do not have the option of support from secondary caregivers.
- Working women, especially from Indigenous communities, face **social risks** in terms of societal pressures to adhere to traditional norms. Long working hours and commuting times make it difficult for them to return home

early. This leads to social sanctions from the community and may force them to quit their jobs or take up low-paying ones closer to home. Certain groups like entertainment workers face significant social stigma and discrimination due to the nature of their work. There is the concern that formalisation would lead to increased stigmatisation, discrimination and ostracism as their occupation would become public and common knowledge in the community.

- Intersectional groups like LGBT+ individuals experience discrimination and harassment in formal work environments and must hide their sexual orientation in job interviews. Transgender people report being rejected outright due to their appearance. Such issues affect the informal economy too, but the degree of harassment is higher in a formal work environment as LGBT+ individuals interact daily with potentially hostile colleagues and struggle to maintain their dignity.

3. OPPORTUNITIES OFFERED BY FORMALISATION

- Informal workers often face irregular income and job insecurity. Formal employment offers **economic opportunities** such as the potential for higher, regular wages, and legal protections like job security and grievance redress mechanisms. Formalisation can also benefit businesses by providing legal recognition, protection from harassment, and opportunities for market expansion.
- Formal employment can empower women by offering **domestic opportunities** like increasing their financial independence and decision-making power within the household. However, it does not automatically lead to equitable sharing of domestic responsibilities. While formal work can elevate women's social status and reduce their vulnerability to Intimate Partner Violence (IPV), factors like community support and societal norms also play a crucial role in reducing vulnerability and raising social status.
- Formal employment offers significant **social welfare opportunities**, including access to health insurance, pension schemes, and social security. This provides a safety net for workers, particularly in the case of illness, injury, or old age. Informal workers, on the other hand, often lack access to such benefits, leaving them vulnerable to financial hardship in times of need. While some governments have introduced voluntary health insurance schemes for informal workers, these may not be widely accessible or affordable for all.
- Formal recognition of entertainment workers could help reduce social stigmas and discrimination, allowing workers to live with dignity and respect. Formalisation would provide access to essential social security benefits like health insurance, which is crucial for mitigating health risks associated with their profession.
- Intersectional groups like Indigenous women often face discrimination and limited opportunities due to their cultural identity. By organising into producer groups and branding their products, they can access larger markets and increase their incomes to improve their economic situation. Formal opportunities can break traditional gender roles and empower women to make proactive decisions about their lives. They can also serve as role models for other women in the community.

RECOMMENDATIONS

ENHANCING CAPABILITIES

TVET policy implementation and awareness promotion

- Conduct campaigns to improve awareness about formal opportunities in collaboration with local authorities and NGOs.
- Leverage digital platforms for outreach and information dissemination.
- Establish information and counselling kiosks in schools and local markets.
- Regularly assess and refine outreach efforts.

- **Entrepreneurial skill development**

- Offer focused activity-specific mentoring programmes and entrepreneurial training to women with business acumen.
- Provide guidance on money management and voluntary savings.

PROVIDING POTENTIAL OPPORTUNITIES

- **Finance for women entrepreneurs and sensitisation of financial institutions**

- Provide collateral-free, subsidised loans to women with business acumen.
- Tailor financial products to specific business needs and cash flow patterns.
- Raise awareness among financial institutions about the unique challenges and opportunities faced by women entrepreneurs to design effective and inclusive financial options.
- **Create workplace friendly environments**
 - Establish designated vending zones to support street vendors and stabilise their incomes.
 - Address displacement of vendors by authorities to safeguard their livelihoods.

MOTIVATING WOMEN TO UNDERTAKE FORMAL EMPLOYMENT

- **Reduce dropouts from the formal economy**
 - Increase investment in the care sector. Establish government-subsidised childcare and eldercare services.
 - Introduce flexible work arrangements and inclusive workplace practices.
- **Enhance accessibility and inclusion in workplaces**
 - Ensure buildings have ramps and elevators for wheelchair users and individuals with mobility impairments.
 - Design and modify doorways to accommodate wheelchairs and other assistive devices.
 - Provide necessary assistive technology, such as screen readers, speech recognition software, and ergonomic workstations, to support employees with disabilities.
 - Enforce the allocation of quotas for persons with disabilities in both public and private companies.

REINFORCE COM-B EFFORTS BY SUPPORTING BEHAVIOUR CHANGE

- **Adopt a twin track approach**
 - Acknowledging men and women have different needs and positions in society.
 - Engaging community and religious leaders, organising sensitisation workshops for men, persons with disabilities, and the private sector to address deep-rooted issues.
 - Organise targeted sessions for marginalised groups to give them a platform to raise the challenges and issues they face. Offer capacity building support and introduce measures to encourage participation.
 - Incorporate gender-sensitive education into school curricula.
- **Scale up outreach initiatives by collaborating with NGOs and leveraging social media to empower women with knowledge of their rights and motivation to assert those rights**
 - Collaborate with NGOs to scale up outreach initiatives and empower women with knowledge of their rights.
 - Leverage social media to increase awareness of healthcare schemes and social protection benefits.
 - Conduct advocacy rights training for women, including effective communication and negotiation techniques to interact confidently with employers.
- **Develop and implement a well-being framework for informal workers, focusing on social, financial, physical, mental, and professional aspects**
 - Include components such as payouts, grievance redressal, health and safety, financial literacy, and diversity management.
 - Create an enabling environment in which private companies take responsibility for the welfare of informal workers and adopt measures to support them. Government and UN bodies will be responsible for persuasion and incentivisation of the private sector.
 - Use worker feedback to evaluate initiatives and identify actionable improvements.

This study underscores the need for a holistic approach that addresses structural, cultural, and behavioural barriers to women's inclusion. By fostering an enabling environment, Cambodia can leverage the potential of its informal workforce

1. INTRODUCTION

Cambodia has demonstrated significant economic growth in recent years, with an average GDP growth rate of 7% before the COVID-19 pandemic. Although growth slowed during the pandemic, the economy has since shown signs of recovery, achieving a GDP growth rate of 5.4% in 2023. The labour force participation rate (15-64 years) is estimated at 83.7% in 2021, as reported in the 2021 Cambodia Socio-Economic Survey². Around 48.4% of the total labour force are women. The labour force participation rate (LFPR) for women (78.9%) is lower than men (88.7%); for both genders the employment rate is close to 100% of LFPR, indicating that most people seeking work are able to secure employment. This highlights the active engagement of the working age population. The informal sector dominates the economy, providing jobs to 77% of the workforce. The prevalence of informal employment within the formal sector is notable, where every second individual is hired without any written agreement. As a result, the percentage of women and men in informal employment is significant; at 87.6% and 89.0% respectively.³

Cambodia's National Strategy for Informal Economy Development defines "informal" as economic activities that are not registered or lack legal documentation. However, those activities are not considered illegal. The purpose of this strategy is to enable the informal economy to have access to the formal system and to help it contribute to achieving sustainable development while building crisis resilience. It classifies the informal sector into three categories with specific measures to incentivise formalisation:

- Small, medium, and large enterprises
- Micro-enterprises (including own account workers)
- Employees and other workers that are not self-employed

The International Labour Organization (ILO) defines informal employment as "all remunerative work (i.e. both self-employment and wage employment) that is not registered, regulated or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-producing enterprise. Informal workers do not have secure employment contracts, workers' benefits, social protection, or workers' representation. It includes informal employment in the informal sector, informal employment in the formal sector, and informal employment in households."⁴

Women's participation in the informal economy is influenced by a variety of socio-economic factors, including limited access to education and training, social norms, and gender discrimination. An ILO study⁵ titled 'The unpaid care work: paid work connection' highlighted that women's significant presence in the informal economy is often due to the flexibility it offers, which allows women to balance unpaid care responsibilities with income-generating activities. Barriers to formalisation, such as limited access to credit, markets, and business development services, also encourage women to join the informal sector.

Table 1 below shows the distribution of women in informal employment in the three main sectors in Cambodia. The informal economy in Cambodia encompasses a wide range of activities, including small-scale agriculture, wage labour, street vending, home-based enterprises, domestic work, and entertainment.⁶ In urban areas, a larger proportion of women are employed in the services sector (38%), while in rural areas, one in every two women work in agriculture. One in every five women work informally in industries, most commonly in the manufacturing and apparel sectors.⁷

TABLE 1: Female Informal Employment by Sector

	Total	Urban	Rural
Agriculture	37%	12%	49%
Industry	21%	21%	21%
Services	42%	67%	30%

²https://www.nis.gov.kh/nis/CSES/Final%20Report%20of%20Cambodia%20Socio-Economic%20Survey%202021_EN.pdf p.77 Figure 2

³International Labour Organization. (2024). "Women's participation in the informal economy in Cambodia." Pg. 4, para 1

⁴<https://www.ilo.org/resource/45-informal-economy>

⁵<https://researchrepository.ilo.org/esploro/outputs/encyclopediaEntry/The-unpaid-care-work-paid-work/995328547602676>, Pg. 2

⁶Entertainment workers include women employed at beer gardens, karaoke bars, massage parlours, KTVs, casinos, etc and typically involves sex work.

⁷Report on the Cambodia Labour Force Survey, 2019, National Institute of Statistics, Ministry of Planning Pg. 35, Table 6.1

for sustainable economic growth and empowerment of women.

2. METHODOLOGY

The United Nations Development Programme (UNDP) in Cambodia commissioned M-CRIL Limited, an international development consulting firm based in India, to undertake “Social Behavioural Research on Women in the Informal Economy in Cambodia” with the following research questions listed below.

The goal was to assess the ground realities in Cambodia to gain a grounded and nuanced understanding of behavioural factors and structural barriers driving Cambodian women into informal employment and the possible implications of formalising this group.⁸

2.1 RESEARCH QUESTIONS

1. *Which factors, barriers and enablers (e.g., capabilities, opportunities, and motivation/preference) determine/influence/explain women’s decisions to work in informal sectors in Cambodia? And what are the implications of those decisions?*
2. *What are the risks and opportunities of formalising the economy on the socioeconomic inclusion of women?*
3. *What are key interventions and/or services that could increase women’s socioeconomic and financial inclusion?*

Two-fold objective: to inform the design of targeted interventions that enhance women’s socioeconomic and financial inclusion and the development of gender-responsive policies and programmes that address the identified barriers.

2.2 CONCEPTUAL FRAMEWORK

This study has been guided by the Behavioural Insights Framework (COM-B)⁹ which builds on the behavioural change model. There are three main components of this model: capability, opportunity, and motivation. It suggests that a change in behaviour will only occur if an individual has the capability and opportunity to engage in the changed behaviour and has the motivation to enact the changed behaviour as compared to any other behaviour.¹⁰ These components can be defined as follows:

- **Capability:** This refers to both the psychological and physical capacity of an individual to engage in a particular activity. In this case, psychological capacity is their knowledge and awareness of that activity whereas physical capacity refers to having the skills and the strength to carry out the activity.
- **Opportunity** includes the physical and social opportunities that make it possible to enact a behaviour. Physical opportunities are associated with the availability of material resources such as money, assets, and time, whereas social opportunities describe the societal and gender norms that uplift and reward certain types of behaviour. Associated with the component of opportunity is the concept of a “nudge” in behavioural science, which encourages people to adopt certain behaviours without forbidding others.¹¹ This has practical policy interventions in terms of helping people adopt certain kind of behaviours that would benefit them.
- **Motivation** includes the habits, emotions, and decision-making abilities that direct the behaviour. The two types of motivation include reflexive (automatic) motivation and reflective motivation. The former is associated with spontaneous processes such as emotions and impulses whereas the latter relates to the reflective process that helps individuals make a decision and the beliefs that support it.

The three factors of capability, opportunity, and motivation are interconnected and influence each other over time. This creates a dynamic system where changes in one factor can lead to changes in the others. Motivation plays a central role in this system, driving and shaping the interaction between capability and opportunity. This understanding of the COM-B framework has shaped analysis and interpretation of the results.

⁸Behavioural factors such as cultural construct and mental models (prevailing norms, power structures, beliefs, preferences and values).

Structural barriers include access to education, technical and vocational trainings, information, finance and labour market

⁹<https://implementationscience.biomedcentral.com/articles/10.1186/1748-5908-6-42>

¹⁰Behavioural Insights Framework, UNDP (2022) Pg. 16

¹¹<https://www.behavioraleconomics.com/resources/mini-encyclopedia-of-be/nudge/>

2.3 DATA COLLECTION METHODS

M-CRIL used the following research methods for data collection:

- **Desk review:** A comprehensive desk review of existing policy documents, national statistics, research reports, and knowledge products related to women's participation in the informal economy and financial/economic inclusion in Cambodia and similar international contexts.
- **Qualitative discussions:** Semi-structured interview checklists were used. The checklists used for discussions were guided by the COM-B model (**section 2.2**), the iceberg model (**section 2.6**) and the concept of intersectionality (**section 3.9**) to investigate the multidimensional factors beyond the respondents' gender that impact their decision to work informally. The qualitative tools along with rationale for their selection are outlined below:
 - **Key Informant Interviews (KIIss):** gather insights from experts on barriers and opportunities for women's socio-economic inclusion; implementation of social protection and labour policies; risks and challenges of formalisation; ease of access to credit; and gender norms and behavioural patterns related to women's work. KIIss provided an opportunity to identify important questions in other tools as key informants have an overall sense of the landscape. Time spent: 1-1.5 hours.
 - **Focus Group Discussions (FGDs):** to gain in-depth insights into the lived experiences, challenges, and aspirations of a particular sector or community, and to generate comparative responses across respondents with varying socioeconomic profiles. By deploying the COM-B model in FGDs, the study dug deep into the cultural and structural reasons and individual motivations for women's continued engagement in informal economy. FGDs allowed them to share their perspectives on gender norms, working conditions, access to resources, social protection, and barriers to formalisation. Informal workers were nudged to think whether they were interested in formalisation and the extent to which it could contribute to inclusion. Time spent: 1.5-2 hours.
 - **In-depth interviews (IDIs):** to gain narrative insights and a deeper understanding of workers' lives, including historical experiences, life changes following an intervention, societal structures, and challenges related to their employment and other life decisions. The interviews complemented the FGDs by offering a more personalised and in-depth understanding of each participant's experiences. These interviews have been used to develop illustrative life history case studies. Time spent: 1 hour.

2.4 SAMPLING

M-CRIL identified one province from each region of Cambodia: North-East, North-West, Central, and South – Ratanakiri, Banteay Meanchey, Phnom Penh, and Kampot, respectively. The appropriateness of provinces for this study was ascertained by the UNDP team.

Key informants were selected based on their relevance for the study. The sample for KIIss is provided in **Annex 2** **Box 1**. M-CRIL conducted interviews with government ministries [3], the United Nations Country Team (UNCT) [3], non-governmental organizations (NGOs) [5], and financial institutions [4]. Discussions with ministries and the UNCT offered contextual understanding; knowledge on policy implementation and regulatory aspects; existing services and support systems; and insights into bridging gaps between grassroots realities and high-level policy frameworks. Oxfam and CARE implement targeted programmes focused on women's empowerment, livelihoods, and social protection in the informal economy. Their grassroots programmes and advocacy efforts provide practical insights into the challenges faced by women and effective strategies to address them. Banteay Srei and Gender and Development for Cambodia (GADC) are gender-focused NGOs working to tackle gender norms, violence, and economic inequality. The Cambodian Disabled People's Organization (CDPO) was intentionally chosen to gain an understanding of the diverse realities of women with disabilities within informal employment that could lead to more equitable and effective interventions. The meetings with financial institutions were useful to understand existing lending models and the extent of financial exclusion of women. These meetings also provided insight on strategies to improve financial inclusion.

FGDs targeted a diverse range of economic sectors (agriculture, industry, and services) across various locations where women are predominantly engaged, leveraging available networks and situational contexts to mobilise respondents. The sample distribution of FGDs by province is provided in **Annex 2 Box 2**. A total of 20 FGDs were organised, drawing on referrals and direct contact. Each FGD consisted of eight participants on average. FGDs were split into the following categories:

- Women engaged in informal employment, in either informal or formal businesses (13). These groups were homogenous in terms of economic activity, meaning each group consisted of women with the same occupation, e.g. tuk-tuk drivers, domestic helpers, entertainment workers, etc. Group composition was diversified in terms of cross-cutting dimensions such as age, ethnicity, marital status, migration, previous formal work experience, geography (rural/urban, mainland/coast), poverty, access to finance, and climate vulnerability. These characteristics were recorded for each participant in a matrix.
- Marginalised groups – LGBT+ community (1), women with disabilities (1), Indigenous (1). These groups were homogenous in terms of their Leaving No One Behind (LNOB) identity while being diverse in terms of other cross-cutting characteristics and economic activities.
- FGDs with women engaged in formal employment (1) and women who own or co-own formal businesses (1) for comparative analysis and to document experienced risks and opportunities of formalisation.
- FGDs with men whose wives and daughters are working formally (1) and informally (1). Factors such as family (husband, parents, children) and community influence women's decisions to stay in the informal sector. Therefore, the sample included male household members to unpack the underlying dynamics involved in women's decisions.

RATIONALE FOR GROUP SELECTION

- Activities were selected based on their prevalence in specific locations (e.g., scrap collection site in Banteay Meanchey; hospitality in Kampot; urban-centric occupations such as domestic helpers, construction workers, tuk-tuk drivers, and garment factory workers in Phnom Penh).
- Networks for respondent mobilisation and sample distribution were pivotal in identifying entertainment workers, LGBT+ groups, and formal/informal employment participants.
- Unique cultural or geographic characteristics, such as Indigenous groups in Ratanakiri.

A total of 12 IDIs were organised. Six of the IDI participants were selected from FGDs and the remaining were chosen through referrals from a network or a direct approach, ensuring a purposeful sample. The targeted respondents had diverse economic backgrounds, migration experience, education levels, professions, and cross-cutting identities. Owners of formal and informal businesses were selected to reflect diverse entrepreneurial experiences and understand the motivation and influences for the working conditions provided to employees. The sample distribution is provided in **Annex 2 Box 3**.

2.5 DATA COLLECTION

Qualitative data collection was conducted between 10 October and 7 November 2024. KIIs were completed by the M-CRIL Team Lead and the field coordinator for the study. M-CRIL subcontracted BDtrus Consulting Firm Co. Ltd – a local data collection firm – for FGDs and IDIs following approval from the UNDP team. The researchers at BDtrus were trained and guided by the M-CRIL Team Lead. Each FGD participant was assigned a unique code, and any variations in responses were documented against this code. The code was linked to a matrix on their socioeconomic characteristics such as age, education, location, poverty, migration, borrowing history, and formal working history.

2.6 DATA ANALYSIS

A snapshot of the analytical approach is presented below. Data analysis is nuanced – it captures both similarities and differences in views/statements by different stakeholders. KIIs were analysed using a purely qualitative approach and serve as valuable tools for cross triangulation with FGD responses, enhancing the depth and validity of findings.

Participant characteristics have been used to segment responses across the spectrum of informal workers with varying identities. An intersectional lens was applied to explore how multiple overlapping identities and conditions interact to amplify or shape behaviours and actions, providing a deeper understanding of the complexities involved.

APPROACH	
RQ 1	<p>Responses to each guiding question on drivers of informal employment drawn from the COM-B framework</p> <ul style="list-style-type: none"> • 3 components – Capability, Opportunity, Motivation • 6 sub-components and associated sub factors • Cross-cutting analysis as applicable – age, marital status, poverty, location, sexual orientation, indigeneity, religion, disability • Incorporate findings from men and formal workers • Discussion on interplay of multiple behavioural and structural subfactors
Steps	
	<ol style="list-style-type: none"> 1. Framework development: FGD and IDI questions aligned with M-CRIL's interpretation of COM-B guiding questions listed in the Behavioural Insights Framework guidance document for each factor. The team populated responses from FGDs and IDIs for each factor. This framework provides a structured overview of the factors influencing women's decisions. Some reasons cut across two or more COM-B components. Analysis began by addressing surface-level issues, then delved into structural factors followed by preferences, norms, beliefs, emotions, and aspirations. 2. Thematic and comparative analysis: Identified recurring themes and patterns across FGDs. Systematically analysed responses. Recorded any difference in socioeconomic profile and cross-cutting identities. 3. Data interpretation: Conclusions were made on specific factors that shape women's decisions – these could fit into one or COM-B components. Noted the frequency of repetition and supporting/counter arguments to inform whether the factor is a weak/medium/strong determinant of informalisation. Considered the effect of confounding variables (qualitatively) before adjudging the importance of a factor. 4. Qualitative insights: Use clean verbatim quotes from participants to back key findings and provide rich contextual insights into the experiences and perspectives of women working in the informal sector.
RQ 2	The same approach outlined above for reporting RQ 1 has been used for RQ 2. FGD, IDI, and KII responses were segmented by economic, social, and domestic risks and opportunities. The risk and opportunities have been classified as low, moderate, or high depending on frequency of repetition and the role of confounding variables. Cross-cutting analysis has been added as available.
RQ 3	<p>Discussion of findings in iceberg model template</p> <p>Discussion on other observations from FGDs and KIIs</p> <p>Recommendations</p>

Developing the iceberg analysis template: The iceberg model is an innovative analytical framework that helps investigate social events beyond the obvious immediate implications that are noticed by everyone. It delves deep by analysing the root causes of why those events take place. It provides in-depth understanding of cultural norms; gender stereotypes; and the enabling and disabling structures that provide or restrict access to employment for Cambodian women. It draws parallels with the behavioural research framework and offers an opportunity to present analysis in a crisp and conclusive manner avoiding the overlap and duplication that is sometimes found within the COM-B model. The model comprises four components:¹²

- **Events:** It deals with incidents that are ongoing currently. It is surface-level information that is easily noticeable. [WHAT]
- **Patterns:** This is the next level of analysis where the ongoing events are analysed over a period of time to deduce whether certain trends or patterns could be observed in the events. [HOW]
- **Structures:** These are external structural systems that are in place which influence patterns. It also evaluates the relationship between the patterns. [WHY]
- **Mental models:** It covers intangible aspects – values, norms, ideals, assumptions, and beliefs that underpin the system. [WHY]

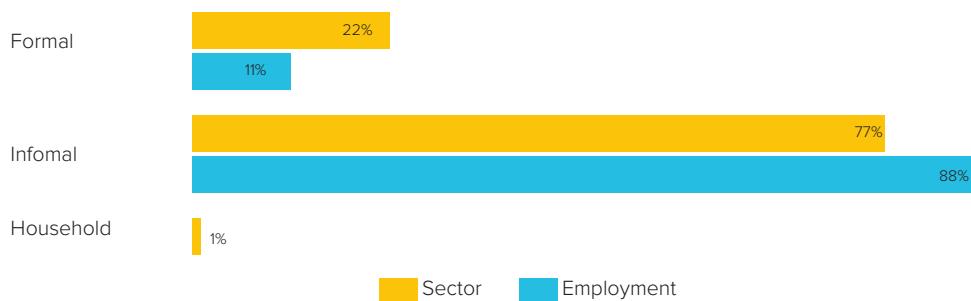
3. LITERATURE REVIEW

This section begins with a general overview of Cambodia's informal economy. It then explores how the intersectionality framework can illuminate the factors influencing women's choices to work in informal sectors. The discussion delves into three key drivers of informal work: socioeconomic factors, gender norms, and structural barriers to financial inclusion and skill development. Finally, the section examines the government's policies and initiatives aimed at formalising the economy and promoting women's socioeconomic inclusion through a robust care economy for women in informal employment.

3.1 OVERVIEW OF THE INFORMAL ECONOMY IN CAMBODIA

Informality is a key feature of the Cambodian labour market. An overwhelming majority (88%) of the total employed population are engaged in informal employment. Informal employment is higher in rural areas (90%) than in urban areas (85%). **Figure 1** shows the distribution of the Cambodian labour force (excluding civil servants) by sector and type of employment.¹³ Of the 7.9 million employed people in Cambodia, an estimated 6.1 million work in the informal sector. However, an even larger number of people are engaged in informal employment (6.9 million), as many workers in the formal sector are also informally employed. Cambodia Labour Force Survey (CLFS) 2019 data show that among those employed in the formal sector, more than half (53%) do not have contracts.

Figure 1: Employed population (7.9mn) by



The informal economy in Cambodia includes a wide range of activities, from street vending and small-scale agriculture to home-based enterprises and domestic work. In urban areas, informal economy activities are more diverse and include self-employed operators of taxis and tuk-tuks, street vendors, scrap collectors, construction workers, tailors, hairdressers, domestic service providers, and workers in the entertainment industry. In rural regions, informal economy activities include fishing, fish processing, spinning and weaving, food processing, home-based apparel making, and construction.¹⁴

¹² Cambodia Labour Force Survey, 2019.

¹⁴ Decent Work in the Informal Economy in Cambodia, ILO, 2006 Pg. 13

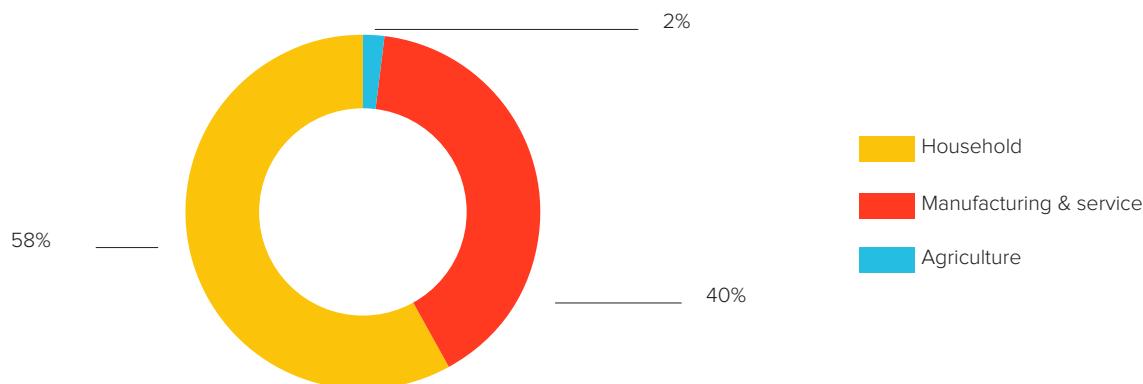
The reasons behind informality in Cambodia are diverse, complex and inter-connected. Some of them are specific to micro-enterprises, others relate to small and medium-sized enterprises (SMEs), and the remaining are cross-cutting issues. For example, micro-enterprise owners may prefer to remain informal to avoid compliance with regulations. Sourcing additional paperwork for taxes and registration processes is considered to be a hassle. For instance, micro-enterprises do not need to register themselves with the Ministry of Commerce or pay commercial income tax. Therefore, they choose to remain in the informal sector.

For SMEs, there are costs associated not just with the formalisation process but also with remaining formalised. High registration costs (about USD \$135¹⁵ for businesses with sole proprietors) prohibit some businesses from formalising. In addition, the lack of enforcement for these regulations reduces risks for non-compliance, making businesses complacent with the status quo. Conversely, businesses also face a different kind of legal problem. The incentive structure for tax officials, wherein they are rewarded for imposing large penalties, can also make the businesses susceptible to additional costs.

3.2 WOMEN IN THE INFORMAL ECONOMY IN CAMBODIA

Cambodia has one of the highest rates of women's participation in the workforce (82%) in Southeast Asia. Women are largely engaged in non-agricultural sectors comprising of manufacturing, services, and household – **Figure 2.**¹⁶

Figure 2: Women employed in informal economy (2.9mn)



Role of social/gender norms in women's informal employment: A significant occupational segregation by gender can be observed in Cambodia. Gender norms prevalent in society lead to some occupations being considered more appropriate for women and men, respectively. For instance, occupations such as vending, dressmaking, and food processing are considered to be domains of work meant for women. Informal work such as machine operation, vehicle repair, and construction are considered to be men's jobs.¹⁷ In addition, women's lack of access to education, skill training, safe travel conditions, and increased workload due to balancing caregiving responsibilities with professional engagements limit their opportunities.¹⁸

Roots of gender norms in Chbab Srey (Female Law): The Chbab Srey, a centuries-old Cambodian code of conduct for women, has profoundly influenced gender norms and women's roles within Cambodian skilled in domestic work, and devoted to their husbands and family members. Girls gained access to schooling after Cambodia's independence in 1953, and even then, Chbab Srey remained a part of the curriculum, reinforcing traditional expectations. Girls were trained to exhibit restraint in expressing their interests, desires, and ambitions, preparing them for lives defined by self-discipline and servitude.¹⁹

Chbab Srey was partially removed from curricula in 2007; a shorter version remains for teaching Khmer literature and it continues to impact Cambodian society today.²⁰

¹⁵ ILO (2024). The Paths to Formalization in Cambodia: An Integrated Vision, Pg. 4

¹⁶ Calculated from Table 6.1: Employed Population in the Informal and Formal Sectors provided in Cambodia Labour Force Survey, 2019.

¹⁷ Urashima, Cheryl, 2002. Rapid assessment of priorities and needs in gender and employment promotion and poverty reduction in Cambodia, prepared for ILO-EEOW project

¹⁸ <https://researchrepository.ilo.org/esplo/outputs/encyclopediaEntry/The-unpaid-care-work-paid-work/995328547602676>, Pg 21

¹⁹ Patriarchal Barriers to Women's Political Participation in South-East Asia, 2014 Pg. 12

²⁰ <https://english.cambodiadaily.com/news/%C2%ADthere-is-no-place-for-chbab-srey-in-cambodian-schools-85230/>

Public opinion, especially in rural areas, often still aligns with these gendered expectations. Many believe that women should primarily be responsible for domestic duties and men should hold decision-making power. During their early years, girls are overloaded with “lots of housework,” impeding the quality of their education.²¹ The burden of responsibilities deepens when they become adults, as women are seen as primarily responsible for housework and childcare. There is a lack of alternatives that enable them to pursue paid work in parallel with housework. This context, an outcome of the constraints placed on their roles in society, influences women to participate in the informal economy.²²

3.3 CARE ECONOMY

Cambodia has a largely unpaid care economy. Care provided by family members, friends, or neighbours for individuals who need assistance with daily living activities is carried out without expectation of pay or profit. This care includes tasks like childcare, eldercare, and domestic chores. They are primarily performed by women.²³ Data from the last Time Use Survey in 2004 indicates that, on average, women spend over 188 minutes daily on such tasks, compared to only 18 minutes for men.²⁴ This imbalance significantly affects women’s economic participation and employment choices. To enhance women’s employment, paid care work needs to be promoted.

CHALLENGES DUE TO ENGAGEMENT IN UNPAID CARE²⁵

- The expectation that women handle unpaid care work limits their opportunities for formal employment. Informal jobs become a necessity rather than a choice due to the lack of affordable childcare and eldercare services.²⁶
- As women engage in informal employment, they face job insecurity and earn lower wages. They lack access to maternity leave, childcare facilities, and health insurance, exacerbating the unpaid care burden.
- While some policies address care work, enforcement and reach are limited, especially for informal workers. This is due to lack of gender-sensitive data on the informal sector and unpaid care work. The government’s investment in care services, such as childcare infrastructure, is minimal.

To address these challenges, the Ministry of Women’s Affairs (MoWA) is developing a national action plan framework on the care economy, focusing on four key areas: care infrastructure, social protection, care services, and employment-related care policies. This is part of a broader socioeconomic strategy for gender quality and women empowerment. Key initiatives include:

- Establishing community preschools and old age homes. Access remains uneven, particularly in rural areas. These community preschools can serve as daycare centres and address the need for accessible and affordable childcare for working mothers.²⁷
- Partnerships with unions representing informal workers aim to improve conditions and advocate for better access to care-related services. Unions can negotiate with employers to include childcare benefits for women.
- Cambodia’s National Social Protection Policy Framework (2016–2025) aims to extend benefits like health insurance and maternity leave to informal workers, though implementation is ongoing.²⁸

3.4 NEARY RATTANAK VI (2024-2028)

The Neary Rattanak strategic plans, developed by Cambodia’s Ministry of Women’s Affairs (MoWA), outlines multi-year strategic plans aimed at promoting gender equality and empowering women. Each iteration of the plan focuses on supporting sectoral programmes, mainstreaming gender at all policy levels, and improving institutional capacities by applying gender-transformative approaches. The latest strategy, **Neary Rattanak VI (NRVI) (2024-2028)**, was launched in April 2024. It aims to enhance gender equality through 41 key interventions and six priority programmes:²⁹

²¹<https://english.cambodiadaily.com/news/%C2%ADthere-is-no-place-for-chbab-srey-in-cambodian-schools-85230/>

²²Leave No One Behind Analysis in Cambodia, UNDP, 2024

²³https://www.unescap.org/sites/default/d8files/event-documents/MoWA_UCDW_ASEAN_ESCAP_PPT-Cambodia.pdf slide no. 5

²⁴https://www.unescap.org/sites/default/d8files/event-documents/MoWA_UCDW_ASEAN_ESCAP_PPT-Cambodia.pdf slide no.5

²⁵https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/documents/publication/wcms_bk_pb_126_en.pdf Pg 13 onwards

²⁶Gender Equality in the Labour Market in Cambodia, <https://www.adb.org/sites/default/files/publication/31193/gender-equality-labor-market-cambodia.pdf>

²⁷<https://www.cpp.org.kh/en/details/382950>

²⁸https://www.unescap.org/sites/default/d8files/event-documents/MoWA_UCDW_ASEAN_ESCAP_PPT-Cambodia.pdf slide no. 10

²⁹https://nepcambodia.org/wp-content/uploads/2024/10/NR6-English-V10_Web.pdf

- Promoting women's participation in the labour market, improving access to financial services, and encouraging entrepreneurship
- Promoting the cultivation of positive social norms and ethics that respect women's roles within families and communities while addressing harmful gender stereotypes
- Addressing women's health, education, and social protection needs, aiming to improve their overall quality of life and reduce vulnerabilities
- Enhancing legal frameworks and enforcement mechanisms to protect women and girls from gender-based violence and discrimination
- Encouraging women's participation in decision-making roles at all levels of government and society, promoting inclusive leadership
- Focusing on empowering women to participate in climate resilience and mitigation initiatives, recognizing their role in sustainable environmental practices

This plan also aligns with Cambodia's national strategies, such as the Pentagonal Strategy Phase I and the Cambodian Sustainable Development Goals (SDGs).³⁰

The MoWA contributes in two ways to the implementation of the policy: 1) Promoting public awareness and helping to change negative attitudes to reduce gender gaps. 2) Targeted interventions such as entrepreneurship and leadership development, and economic empowerment for women and girls affected by violence. Partnerships with international organizations and government agencies facilitate collaborative efforts toward these goals.³¹

3.5 TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) POLICY 2017–2025

The TVET Policy 2017–2025 was launched in 2017 by the Cambodian government through the MoLVT to improve Cambodia's workforce by enhancing access to quality technical education, promoting lifelong learning, and aligning skills development with national and international labour market demand.³² One of the key objectives is to expand opportunities for individuals – particularly women, marginalised and Indigenous groups – to obtain life skills and find decent work. Non-formal TVET caters to youth from poor and near-poor households and those who do not complete lower secondary education. To encourage participation in TVET, they are provided USD \$70 per month for a four-month training programme on sectors such as agriculture, construction, motor repair, and basic food processing. The provincial training centres and vocational training centres are the main providers of non-formal TVET. Women constituted 21% of all students (and 18% of graduates) from formal TVET programmes in 2015 and 50% of the more than 545,000 non-formal TVET participants at the end of 2019 were women.^{33 34}

KEY ISSUES IN IMPLEMENTING THE POLICY

Despite investments in constructing vocational schools, limited attention to instructor training remains a critical issue. The absence of skilled educators undermines the quality of education and consequently, students' skill development. Vocational programmes often fail to align with market demands, leaving certain sectors which require specialised technical expertise underrepresented in curricula. Efforts to incorporate private sector input, such as through the Skills Development Fund, have seen limited success, with industry collaboration still lacking. Meanwhile, the government's focus on physical infrastructure has prioritised building facilities over modernising training content and methods, resulting in underutilised programmes. Furthermore, vocational training largely excludes informal workers and thus misses an opportunity to broaden the skilled labour force by integrating these workers into formal training initiatives.³⁵

³⁰<https://cambodia.embassy.gov.au/files/PENH/10042024-Joint-PR-Neary-Rattanak-VI-Strategic-Plan-MoWA-and-DFAT-English.pdf> Pg. 1

³¹<https://cambodia.embassy.gov.au/files/PENH/10042024-Joint-PR-Neary-Rattanak-VI-Strategic-Plan-MoWA-and-DFAT-English.pdf>

³²<https://www.adb.org/sites/default/files/publication/401691/adb-brief-089-cambodia-new-tvet-policy.pdf>

³³Directorate General of Technical Vocational Education and Training Gender Policy and Action Plan 2017-2026. Pg.12, 13

³⁴<https://unevoc.unesco.org/home/Dynamic+TVET+Country+Profiles/country=KHM>

³⁵<https://cambodiainvestmentreview.com/2024/10/08/opinion-a-history-of-cambodias-tvet-system-and-its-challenges-in-2024/>

3.6 FINANCIAL INCLUSION

Financial inclusion is defined as access to any one formal financial service – savings, credit, or microinsurance – bringing ‘unbankable’ i.e. those without Credit Bureau Cambodia (CBC) record and collateral, into the financial system.

The Government of Cambodia has adopted the National Strategy for Economic Development (2023-2028) which lists financial inclusion as a top priority. It seeks to strengthen the productivity and resilience of the informal economy and facilitate informal actors’ participation in the formal economy.³⁶

Informal employment as such does not exclude women from accessing credit, as validated by an impact assessment study completed by M-CRIL for the Cambodia Microfinance Association in 2023³⁷ and confirmed by The National Bank of Cambodia’s (NBC) Deputy Governor, who recently stated³⁸ that 65% of the microfinance borrowers are women. Financial service providers assess loans based on several regulatory factors, including: (i) whether the loan is secured through collateral; (ii) the borrower’s household repayment capacity; (iii) the presence of co-borrowers or guarantors; and (iv) the household’s credit history. Many microfinance institutions (MFIs) offer unsecured, low-value loans to both groups and individuals. The average loan size is approximately USD \$1,000. This indicates that microloans are available for low-income customers, many of whom work in the informal sector. However, the issue lies in unregulated lending where low-income households are offered loans without a thorough assessment of their needs and repayment capacity, leading to borrowing from one source to repay another and ultimately creating repayment stress.^{39 40}

Women from rural regions and micro-entrepreneurs have limited access to mentorship, training facilities, and social protection. In addition, women-owned micro and small businesses are constrained by regulatory challenges in accessing services required for their business operations. For example, they face strict lending requirements that are incompatible with MSME operations, high interest rates, collateral requirement, and shorter repayment periods.⁴¹ There are difficulties in providing collateral against loans as properties and other assets are often registered in the names of male household members. Expected gender roles and sexist attitudes of bankers also make it difficult for women entrepreneurs to access funding for their businesses.⁴²

These issues have been addressed in the National Financial Inclusion Strategy (2019-2025) adopted by NBC. This strategy seeks to increase access to quality financial services from 59% in 2015 to 70% by 2025. The strategy has helped decrease financial service exclusion rates from 41% in 2015 to 33% in 2021. Key action points include:

- The NBC, in collaboration with partners like the MoWA and Visa Inc., operate programmes focused on building financial literacy for women entrepreneurs. These include training in financial management, business modelling, and financial report preparation to access credit more effectively.⁴³
- Women entrepreneurs face challenges such as collateral requirements from financial institutions. To address this, the NBC is working to diversify financial services and encourage microfinance institutions to offer more accessible loans.⁴⁴
- The NBC has introduced digital payment systems like Bakong and KHQR to simplify transactions and expand access to financial services, especially in rural areas. These systems aim to integrate informal economy participants into formal banking through mobile apps and e-wallets.⁴⁵
- The NBC aims to coordinate with stakeholders, including the International Finance Corporation (IFC), to address the USD \$4.2 billion credit gap for women entrepreneurs and dispel misconceptions about women’s capabilities in business.⁴⁶

³⁶https://data.opendevlopmentcambodia.net/library_record/national-strategy-for-informal-economic-development-2023-2028

³⁷An impact assessment of microfinance in Cambodia. Available at <https://www.cma-network.org/publication>

³⁸<https://www.afi-global.org/newsroom/news/building-women-entrepreneurs-financial-literacy-in-cambodia/>

#.“:text=%E2%80%9CWomen%20play%20a%20very%20important,NBC%20Deputy%20Governor%2C%20Yim%20Leat.

³⁹<https://www.microfinanceopportunities.org/mfo-news/news/over-indebtedness-in-cambodia-findings-from-a-financial-diaries-study/> para 4

⁴⁰<https://www.eco-business.com/news/green-bonds-red-flags-cambodias-microfinance-crisis-deepens-amid-sustainability-push/> “Cambodian MFI: A fraught history”

⁴¹UNDP. (2022). Cambodia aims to close financing gap for women entrepreneurs. UNDP. <https://www.undp.org/cambodia/press-releases/cambodia-aims-close-financing-gap-women-entrepreneurs>
Para 1

⁴²<https://www.care-cambodia.org/unleashing-her-potential-empowering-women-entrepreneurs-in-cambodia/>

⁴³<https://www.afi-global.org/newsroom/news/building-women-entrepreneurs-financial-literacy-in-cambodia/>

⁴⁴<https://www.phnompenhpost.com/business/nbc-head-underscores-value-womens-access-finance>

⁴⁵<https://thekhmertoday.com/public/news/detail/480>

⁴⁶<https://www.phnompenhpost.com/business/nbc-head-underscores-value-womens-access-finance>

3.7 SOCIAL PROTECTION: ACCESS TO HEALTH

Access to health is key for socioeconomic inclusion. Employers in the informal economy commonly do not offer health insurance to their workers to save taxes and additional expenses.⁴⁷ Informal workers can access healthcare primarily through two mechanisms supported by the **National Social Security Fund (NSSF)**. These initiatives aim to extend healthcare coverage and address the socioeconomic vulnerabilities faced by informal workers.

1. EMPLOYER-SPONSORED REGISTRATION FOR HEALTH EQUITY FUND (HEF) BENEFITS

The Employer-Sponsored Registration for the Health Equity Fund (HEF) is a mechanism designed to extend healthcare benefits to workers, especially those in formal and informal employment sectors with ID Poor cards, by encouraging employers to contribute to their employees' health coverage.⁴⁸ The HEF covers services such as outpatient care, maternity services, and some inpatient services, helping mitigate financial barriers to healthcare access.⁴⁹

2. SELF-REGISTRATION THROUGH THE A4S PROJECT

Recognising the health requirements of the informal economy workers, the government has launched the "Extending Social Security for Self-Employed Individuals" (A4S) scheme, which provides access to a voluntary healthcare fund. By paying a monthly fee of USD \$4, informal workers can obtain a health insurance card that provides access to healthcare services at NSSF-affiliated facilities. This option is open to a diverse range of informal workers such as street vendors, digital platform workers, entertainment workers, tuk-tuk drivers, and construction workers. All of these workers can register as self-employed individuals.⁵⁰

Cambodia is working towards improving healthcare access for informal workers through the Universal Health Coverage (UHC) Roadmap (2024-2035) as well. The roadmap outlines strategies for expanding coverage and reducing financial risks caused by healthcare costs. It emphasises comprehensive service delivery, quality improvement, and financial protection.

3.8 FORMALISING THE ECONOMY

Cambodia's formalisation strategy, launched as part of the National Strategy for Informal Economic Development 2023–2028, aims to integrate informal workers and enterprises into the formal economy. The policy focuses on enhancing social protection, economic resilience, and poverty reduction. Key action points are:

- Providing simplified procedures and incentives for informal workers and businesses to formalise. The goal is to have 10% of informal MSMEs formalised by 2028.
- Ensuring access to healthcare, social security, and other benefits to increase NSSF enrolment from 2 million to 3 million informal workers by 2028.
- Offering training and skill development to 50,000 informal workers annually.
- Establishing mechanisms for coping with economic crises, like COVID-19, to protect informal workers. It aims to establish a national emergency fund to support up to 1 million workers in case of economic shocks.
- Increasing outreach and awareness campaigns to inform workers of the benefits of formalisation. The stated goal is for awareness campaigns to reach 80% of informal workers by 2028.⁵¹

The issues associated with formalisation in Cambodia that contribute to the persistence of informal sector operations – as discussed in 3.1 above – include a lack of accountability and transparency, complex bureaucratic structures leading to increased formalisation costs, and a common perception among business owners that registration and legalization costs do not justify the benefits.⁵²

⁴⁷https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40asia/%40ro-bangkok/documents/publication/wcms_920120.pdf

⁴⁸<https://socialprotection.org/discover/programmes/health-equity-fund-hef#:~:text=Eligibility%20criteria,Accessed%2011%20May%202018>.

⁴⁹<https://cambodia.oxfam.org/latest/press-release/social-protection-need-informal-economy-workers-cambodia>

⁵⁰<https://kiripost.com/stories/cambodia-nssf-national-social-security-fund-explained>

⁵¹<https://www.undp.org/cambodia/publications/understanding-paths-formalization-cambodia-integrated-vision Pg. 132>

⁵²https://www.undp.org/sites/g/files/zskgk326/files/202312/Understanding%20the%20Paths%20to%20Formalization%20in%20Cambodia_An%20Integrated%20Vision.pdf

BENEFITS OF FORMALISATION⁵³

- Formalisation facilitates entry into new markets, including export markets that require official documentation for trade.
- Formal enterprises are eligible for business development services (BDS) provided by the government. These services are not available for informal businesses.
- Formalising a business prompts enterprises to adopt better management practices, such as maintaining financial accounts which improve business operations.
- A robust social protection system supports workers during periods of income loss due to events like COVID-19, illness, pregnancy, or disability. Formalisation enhances workers' access to targeted social protection and emergency assistance provided by the government during crises. During the COVID-19 pandemic, several vulnerable workers without formal employment records were excluded from receiving government benefits.
- The pension system, which includes both worker and employer contributions, helps workers save for retirement. This reduces the risk of income shortages in old age and helps alleviate poverty among the elderly.
- The healthcare system guarantees workers can access medical services at no extra cost. This allows families more freedom to manage their finances and reduces the likelihood that workers or their family will incur debt for medical emergencies. The government provides 70% of a daily average wage for sick leave, accidents, maternity leave, or other non-occupational accidents.⁵⁴
- The 1997 Cambodian Labour Law protects workers' rights while providing a safe, reasonable workplace for informal workers. Regular working hours are capped at 48 hours per week, with a maximum of eight hours per day. Overtime is allowed and workers are compensated at 150% of their regular hourly wage. Workers can earn 200% of their normal wages for night or holiday work. The law mandates employer contributions to the National Social Security Fund (NSSF), covering health insurance, pensions, and work-related injuries.⁵⁵

3.9 INTERSECTIONALITY AND WOMEN'S WORK IN THE INFORMAL ECONOMY

The concept of Intersectionality was coined by the American feminist Kimberlé Crenshaw. The theory argues that no social category such as gender, class, race, etc. exist in isolation and they often have overlapping impact on the life of an individual. Women are marginalised and are at risk of being left behind. When more than one element of intersecting identities is at play, the chances of vulnerability, discrimination, and oppression increase.^{56 57}

Applying intersectionality in the context of the informal economy helps us understand other determining factors beyond weak and insufficient regulatory frameworks. It describes how unique identities determine their struggle to make a living and drives decisions to work in the informal economy.⁵⁸ Intersecting factors that contribute to women's vulnerability, as recognised by the Cambodia National Social Protection Strategy and the UNDP Five Factor Framework for LNOB include: (1) Being a single parent (2) Vulnerability to food insecurity and unemployment, (3) Indigeneity, (4) Old age, (5) Disability, (6) Domestic violence, abuse and exploitation, (7) Migration, (8) Being widowed, (9) Sexual orientation, and (10) Location.⁵⁹

Intersectionality provides a comprehensive analytical tool in understanding the multi-faceted reasons that drive women's decisions to work in the informal economy. It also shows how a combination of other factors beyond gender makes working conditions much more precarious, thereby highlighting the importance of looking at the informal economy as a complex phenomenon beyond regulatory and resource-based challenges. For instance, women from an ethnic minority background could be subjected to discrimination, workplace hostility, and lower pay. They could also be excluded from the job market altogether due to employer bias and prejudices which could make their situation particularly precarious

⁵³https://www.undp.org/sites/g/files/zskgke326/files/202312/Understanding%20the%20Paths%20to%20Formalization%20in%20Cambodia_An%20Integrated%20Vision.pdf

⁵⁴<https://www.nssf.gov.kh/health-care-scheme-2/> para 1

⁵⁵<https://www.camma.biz/en/trainings/understanding-cambodian-labour-law> para 1

⁵⁶<https://www.thebritishacademy.ac.uk/blog/what-is-intersectionality/>

⁵⁷Renner, S, Bok, L, Iglo, N, & Linou, N (2018). What does it mean to leave no one behind?

A UNDP discussion paper and framework for implementation.

https://www.undp.org/sites/g/files/zskgke326/files/publications/Discussion_Paper_LNOB_EN_lres.pdf

⁵⁸<https://brill.com/display/book/9789004519183/BP000013.xml>

⁵⁹Cambodian Government's National Social Protection Strategy for the Poor and Vulnerable (2011-2015)

and force them to take up jobs in the informal economy. Likewise, migrant women workers could face difficulties such as inability to speak the local language or difficulty in adjusting to new conditions. In addition, they also have poor access to the labour market. Their skills and certificates may not be recognised by an employer in a different province or country.⁶⁰

4. FINDINGS

4.1 BEHAVIOURAL DETERMINANTS OF INFORMALISATION

This section provides the key insights from in-depth discussions with a diverse range of groups, including collectives of paid and self-employed women, two groups of men whose family members are employed women, and key stakeholders. To structure the analysis, M-CRIL has employed the COM-B framework. Factors related to intersectionality include gender, age, urban/rural location, socioeconomic status, ethnicity, and disability. The analysis begins by exploring surface-level issues, such as the lack of economic opportunities that match a candidate's skills, limited knowledge and awareness of available opportunities, and financial constraints. To understand the root causes of these issues, the underlying structures and mental models that shape women's employment choices are explored. This includes factors such as infrastructure and physical access, the impact of government policies, the role of the private sector, and the influence of social norms and cross linkages with habits and emotions.

4.1.1 ACCESS TO ECONOMIC OPPORTUNITIES AND SKILLS

How does the availability of economic opportunities and capabilities influence women's decisions to work in informal employment?

Finding: Access to physical opportunities is a medium determinant of women's decision to work in informal employment. This may be due to limited capabilities (skills and education) as well as personal preferences and social bias. Skills and education are a strong determinant of women's employment choices.

*The box below, and boxes in the subsequent discussion in this report, present the number of FGDs/groups out of the total number of groups of that type which provided feedback on the issue being discussed in the sub-section.

12/16 FGDS*

Formal opportunities are concentrated in urban centres. Employment opportunities in rural and peri-urban areas are limited, regardless of the type of work. Women often pursue casual jobs due to a lack of alternatives and the urgent need to provide financial support to their families, even when some of these roles are physically demanding and less desirable. The availability of economic opportunities plays a role in shaping women's work decisions, but this impact may be limited by personal preferences and social bias.

“ I think the work I am doing now is not good because it does not provide a stable income. I rely on my physical strength to earn money, and if I do not work, I do not earn. But I do not see any other options available to me.”

-Agricultural labourer, Kampot

Despite the availability of formal roles, some women may choose more menial jobs in the informal sector due to job location and alignment with personal preferences. The women interviewed in the study tended to choose jobs closer to their home. Construction workers mentioned choosing this type of work over jobs in garment factories. Although construction work is more physically demanding, it allows women to live and work with their husbands, reducing living expenses. This can be a strategic decision to minimise household expenses and improve family wellbeing. This decision to live together symbolises collectiveness over individualism, which is key to Cambodian culture.

FGD feedback also indicates that not every working woman prioritises financial earnings or the higher-income opportunities offered with formal jobs. For some, lower-wage labour in the neighbourhood provides a side income that allows women to earn during their free time after performing household duties.

⁶⁰European Union (2020) Precarious work from a gender and intersectionality perspective, and how to combat it Pg. 49

13/16 WOMEN'S GROUPS

Low formal education and skills among women in Cambodia is a significant determinant of their engagement in informal employment. Besides the limited availability of opportunities and reluctance (or inability) to undertake work far away from home, a lack of formal education and specialised skills often compels women to seek informal roles. These informal roles often require minimal qualifications and can include jobs in the entertainment industry, domestic work, running mom and pop shops, and roadside vending. Nearly 50% of the women respondents have attained primary level education, another 27% have completed lower secondary level education, and very few entered tertiary education. None of the respondents reported enrolling in informal TVET courses. Most of the informal opportunities are considered easy to learn as they have a short learning curve. Jobs can be learned in two or three days of observing and training, allowing women to start earning a living soon after entering the workforce.

“Domestic work is easy, mostly involving tasks like cleaning, cooking, and taking care of children with which I am familiar.” - **Domestic worker, Phnom Penh**

“I have low skills. I could not think of any other job that I could do.” -**Entertainment workers, Banteay Meanchey**

Respondents described field jobs such as construction, scrap collection, and agricultural labour as falling along a spectrum ranging from “easy” to “hard”. No specialised skills are required and workers can take time off without consequences. However, such work requires them to work in the field in “scorching heat”. The comparatively easy and flexible nature of this work in the absence of other opportunities makes these roles viable options for women with low education and skills.

Formal jobs like teaching, working in healthcare, banking, and engineering require specialised skills and higher qualifications but are not considered “hard”. Work in garment factories is considered “hard” due to unfavourable working conditions such as long working hours without breaks and restrictions on leave. A few respondents were disqualified from garment factories and private companies due to their inability to speak and comprehend English or Chinese. This factor limited their opportunities to secure stable, well-paying employment.

ROLE OF INTERSECTIONALITY IN HINDERING ACCESS TO OPPORTUNITIES AND SKILLS

Age and physical limitations: Middle-aged and older women, particularly those above the age of 40, may not receive the same opportunities as younger women. Age limits may not be explicitly specified in job advertisements, but middle-aged and older women feel they are excluded from more stable and well-regulated jobs in the formal export genre of jobs in the garment sector. These jobs are the most common forms of formal employment avenues for women in Cambodia, but women tend to be discriminated based on age in this sector, as reported in a 2024 Oxfam study with garment workers.⁶¹

“Factories prefer younger women. Women aged above 40 are not selected to work in formal sector, mainly in the garment factory.” -**Construction worker, Phnom Penh**

“I am getting older and have no choice. I would rather do something to earn money than sit at home.” -**Construction worker, Banteay Meanchey**

As women age, their physical abilities are assumed to decline. The official retirement age of 60 years limits their options in the formal sector. Many women, driven by the need to remain financially independent and earn an income in their later years, turn to self-employment or informal roles. These roles, such as scrap collection, construction work, or farm labour, are typically more accessible to them due to their low levels of education. For many, poverty and economic insecurity make it difficult to escape the cycle of informal employment. By establishing their own small businesses, women can sustain work beyond retirement age, ensuring a stable and continuous source of income on their own terms.

Women with disabilities: The sampled women with disabilities have a range of educational backgrounds and varying levels of disability. Nevertheless, the participants acknowledged the inherent disadvantage their disability poses in the job market. Some respondents noted a lack of comfortable workspaces which leads them to choose roles closer to

⁶¹Access to decent work and social protection among women garment workers in subcontracting factories in Cambodia pg.72

home, where caregiving support is accessible. A woman with physical impairment reported experiencing challenges in maintaining jobs that require significant mobility, leading her to opt for more sedentary work such as selling snacks from home.

According to the Cambodia Demographic and Health Survey (CDHS) 2021, the percentage of women and men who have some form of disability generally declines with increasing education.⁶² This may result from physical inaccessibility to schools or parents' fear about leaving their kids unattended. This is more pronounced for women, as social norms already restrict women's mobility. Accessibility issues and parental concerns consequently limit access to information and skill development, as noted by a key informant with a disability, further restricting access to formal opportunities. These challenges are even more pronounced for Indigenous people with disabilities in the remote, hilly areas of Ratanakiri, who face barriers due to language differences and geographical isolation.

When disability itself presents barriers, the education level and specific skills can play a crucial role in determining the type and quality of work obtained. For instance, a woman with mild polio and a primary level education may be confined to labour-intensive jobs like agricultural work. A college graduate with a similar disability can pursue more specialised roles. Limited opportunities are available through disability-friendly NGOs for those with serious disabilities, such as a college graduate interviewed who is 70% paralyzed and who was previously rejected by private companies.

"I had no other choice but to sell vegetables. I used to apply for jobs at garment factories but was always rejected because of my disability." -**Woman with polio, Vegetable seller, Phnom Penh**

"I used to apply for jobs and got rejected. Employers say that people with disabilities cannot work well or for long period of time because of their existing poor health condition." -**Construction worker, Banteay Meanchey**

The Law on the Protection and Promotion of the Rights of Persons with Disabilities and Sub-Decree Determining the Rate and Formality of Recruitment of persons with disabilities mandates that 2% of job positions at public institutions are to be filled by persons with disabilities. Similarly, the sub-decree requires that private sector institutions must ensure that their total workforce consists of 1% persons with disabilities. There remains a risk of discrimination against persons with disabilities despite mandatory compliance requirements. Based on the data from a CLF survey in 2019 and the HRM Asia website⁶³, it is evident that only 0.7% of employees are persons with disabilities, falling significantly short of the mandatory requirement. Private employers perceive them as less productive or costly to accommodate, leading to fewer opportunities for individuals with disabilities [CDPO representative]. According to the CLF survey in 2019, only 16% of persons with disabilities are engaged in formal employment.

4.1.2 LIMITED KNOWLEDGE AND AWARENESS OF FORMAL EMPLOYMENT OPPORTUNITIES

How does limited knowledge and awareness about formal employment opportunities and their benefits shape women's work choices?

Finding: Limited awareness of opportunities is a medium determinant of women's employment choices. While lack of knowledge deprives them of potential opportunities, those who are aware of the opportunities and benefits of formal work may not have access or may choose not to pursue them.

12/16 FGDS

Many FGD respondents lack knowledge of existing opportunities and the processes required to seek alternative career choices beyond their current occupations – in both the informal and formal sectors. Social norms further exacerbate restricted access to information, limiting their awareness of potential opportunities.

⁶²Cambodia DHS2021-2022 Final Report, Pg 371, 376, Table 17.2.1

⁶³<https://hrmasia.com/increasing-employment-of-disabled-people-in-cambodia/#:~:text=Cambodia%20is%20looking%20to%20increase,than%201%25%20of%20the%20workforce.&text=Cambodia%20is%20seeking%20to%20push,the%20workforce%20in%20the%20country>

“I began working as an agricultural labourer when I was 15 years old. My family is extremely poor, and I have not been exposed to many opportunities beyond farming. I am not aware of other economic activities for me except labour work.” **-Agricultural labourer, Banteay Meanchey**

Low education and poverty limit access to knowledge on critical topics such as career paths, application procedures, and minimum qualifications for employment. FGDs also show that women are unable to visualise formal employment opportunities that match with their education and skills. Those who are aware of these jobs find themselves in low-paying formal jobs such as cleaning positions in NGOs or schools. Informal activities generating higher incomes thus become a better choice. The understanding of the concept of “formal” here shows that respondents associate formal employment with high-income jobs and high education levels, something that is not necessarily true.

“Highly educated and skilled individuals work in well-appointed offices with air conditioning and high salaries.” **-Tuk-tuk driver, Phnom Penh**

There is some evidence of age-based disparity in knowledge of formal job opportunities, although it is not conclusive. Younger women generally demonstrate awareness of diverse roles like civil servants, agricultural cooperative employees, judges, and lawyers, while older women have a more limited understanding. However, this pattern is not consistent across provinces. Geographic location, whether rural or urban, does not appear to determine the extent of awareness of formal opportunities.

Lastly, while individuals may be aware of the potential benefits of formal employment such as regular pay, pension, paid leave, and NSSF benefits, only 50% are interested in transitioning. Tuk-tuk drivers, micro-business owners, food processing factory workers, and women over 40 years of age have chosen to remain in their current roles despite recognising alternative opportunities and their advantages. This is true across all sectors. Other factors that determine employment decisions are discussed in subsequent sections.

4.1.3 RESTRICTED ACCESS TO FORMAL OPPORTUNITY DUE TO LIMITED FINANCIAL RESOURCES

How do financial constraints influence women’s choice of employment? Do women have the financial means to outsource household work that confines them to the home?

Finding: Financial constraints strongly influence women’s employment choices but play a weak role in influencing microentrepreneurs to formalise their businesses.

13/16 GROUPS

There are financial constraints shaping women’s work choices. Economic pressures including debt, inadequate income that barely covers daily expenses, and restricted access to capital due to a lack of collateral and guarantors often compel women to seek out work that offers quick income. These roles are typically found in the informal sector.

Debt burden: To meet their debt obligations, women may accept whatever job is readily available without considering whether it is formal or informal. Opportunities are easier to access in the informal sector, which makes it the first choice for indebted families.

“I worked at garment factory (not sure if formal or informal), but my wage could hardly repay my debts. Working here, I have repaid my debt and have some money left.” **-Entertainment worker, Banteay Meanchey**

Opportunities are not commensurate with salary: Remuneration available from work is a driving factor. For some women, the informal sector can offer higher earnings than formal employment. For instance, garment workers earn a fixed monthly salary of USD \$300, while entertainment workers can earn up to USD \$1,000 from wages and tips. This disparity highlights the potential for higher income in certain informal sectors, despite the lack of job security and social protection.

Inadequate cashflow: Women may not be the primary earners in their family, but their income helps to maintain cash flow and provide extra money for the family: “Additional income is better than nothing at all.” According to interviewed women in Banteay Meanchey who were ID poor, the need for quick income is heightened among poor households that lack a financial cushion, prompting them to take on odd jobs to support their families.

Outsourcing care work: A key reason for women to work in informal employment is the flexibility associated which allows them to perform care and household duties. The economic conditions of many informal workers do not allow for the outsourcing of care work. Their families cannot afford to hire domestic help/nannies or enrol their children in day care, limiting their ability to work full-time in a formal set-up. When women can afford to outsource childcare, there are limited paid options besides extended family or neighbours. Moreover, the issue extends beyond financial constraints and availability of professional care services. It is also a product of gender roles and social norms as discussed in **section 4.1.5** below. This is also an issue for well-paid formal sector women workers.

Even when women have the resources to hire domestic help, societal norms and spousal expectations can influence their ability to pursue paid work along with care-giving responsibilities (see below). The extent to which working women engage in domestic work depends on the family’s cultural outlook — conservative or modern — and the value they place on women’s professional roles. “I am able to support my mother.”

“When I get busier with my business, my spouse becomes unhappy. He insists that I cook and do household chores, even though we have two housemaids.” **-Beverage shop owner, Phnom Penh**

Lack of capital: Access to finance is limited by structural barriers such as a lack of collateral, guarantors, and sufficient repayment history. Thereby, ultra poor individuals and migrants without assets and stable income are excluded from financing options. These factors hinder women’s ability to start their own businesses or invest in education and training. While provisions exist for unsecured group and individual loans, the amount is usually insufficient for productive investment.

Women are often hesitant to participate in formal financial systems, such as taking loans for business ventures. This “self-exclusion,” stems from a fear of indebtedness as women worry about their ability to repay loans. Forced exclusion also exists due to lack of identification documentation. Lingering bad debt from the COVID-19 period is reflected in Cambodia Credit Bureau scores that limit access to finance for businesses with growth potential. Interestingly, both informal and formal entrepreneurs covered in this study have not expressed much interest in obtaining credit. The three respondents with formal businesses, despite having full documentation, have chosen not to borrow from formal financial institutions. Instead, they rely on personal networks, such as family and friends, when financial needs arise.

Paid employed workers often indicate that they do not take out credit to start micro-businesses (and thus replace informal jobs as the primary income source). Instead, they seek it for personal needs and existing farming activities. Fearing business failure and potential inability to repay loans, they choose not to borrow from financial institutions and prefer to rely on savings from current employment for start-up capital. In fact, some employed women feel they lack repayment capacity with their current wages and have not thought about borrowing in the future. It appears that employed women intend to start businesses in the future for financial security, but they lack a clear roadmap. Starting a business looks like a distant plan, without any clear ideas for action.

Employed women also report not being able to save. It is for this reason key informants assert that there is a need for financial literacy training to equip women to save as well as to become entrepreneurs. Without such training, even with formalisation and credit availability, business growth is unlikely.

Self-employed individuals in the informal economy form a majority of the labour force and often earn irregular and low incomes. Income irregularity discourages formal savings as people prioritise meeting immediate needs over long-term savings. As mentioned above, while formal credit is available, workers intentionally do not seek it and rely on savings and family support. A lack of savings and family support significantly influences economic opportunities available to them in the absence of higher education. Besides, the current economic crisis characterised by limited purchasing power and high expenses limits workers’ abilities to save and borrow. In addition, while informal businesses do not

formalise partly due to structural constraints (i.e., the costs of registration and the complexities involved), most are not businesses that meet the criteria of formalisation. Therefore, a lack of credit is not a strong determinant of entrepreneurs' decision to remain informal. They do not seem particularly concerned about business growth and gaining eligibility for formalization as they primarily start businesses out of financial necessity or to supplement household income, as recorded above. In some cases, they may also lack awareness of growth opportunities and financial resources. This was also noted by a key informant: "Women start small businesses to support their families, but they often do not consider expanding them."

LGBT+ and Persons with Disabilities: Sexual identity may cause financial constraints due to a lack of acceptance and financial support from families (see below).

From the supply side, financial institutions do not exclude clients based on sexual identity and indigeneity. As an MFI CEO remarked when asked about the proportion of LGBT+ in the customer base, "I do not know! We do not record this." However, those with extreme physical and mental disabilities with limited potential to make repayments are excluded. Senior citizens (age 65 and above) are typically excluded from accessing finance partly due to credit regulation guidelines requiring a guarantor and/or a regular household income.

"My parents have given inheritance to my siblings to start their own businesses. Due to my sexual orientation, I have not received any financial support from them." **-LGBT+, Micro-business worker, Banteay Meanchey.**

Climate vulnerability: Climate-related phenomena like floods and droughts disproportionately impact women, particularly those working as agricultural labourers. These women then often migrate to urban areas and take up whatever informal jobs are available, to pay off their debts and earn a living.

"This job provides a decent income. In my village, jobs are scarce, mostly in low-paying rice farming. After my field flooded, I migrated to pay off debts, unaware of other opportunities suited to my skills." **-Domestic helper, Phnom Penh**

4.1.4 EFFECT OF STRUCTURAL BARRIERS ON WOMEN'S OPPORTUNITIES

How does lack of infrastructure, limited physical access, and the services provided by government, local institutions, NGOs, and private markets influence women's decision to work informally?

Finding: The regulatory environment, level of external support and potential market linkages strongly determine women's choices.

PHYSICAL INFRASTRUCTURE

Women may opt for informal employment, which often requires less commuting and offers more flexibility, to avoid the challenges associated with infrastructure. The following concerns emerged during discussions with women respondents regarding infrastructure and physical access issues:

- **Limited public transport:** The absence of reliable and affordable public transport options, especially in last-mile connectivity, can limit rural women's access to formal workplaces as the time spent commuting is substantial, reducing the effective working hours and making it difficult to adhere to the strict schedules of formal jobs. Persons with disabilities reported facing challenges in accessing formal jobs, which are typically concentrated in urban centres. This could be attributed to the lack of disability-friendly transportation options, which could make commuting long distances daily difficult.
- **Safety concerns:** Women may face safety risks while commuting, particularly late at night or in poorly lit areas, further discouraging them from seeking formal employment.
- **Lack of accessibility infrastructure:** Persons with disabilities often face significant barriers due to the absence of ramps, elevators, reasonable and accessible accommodation, and other support facilities in workplaces. This mostly forces them to consider informal job options that may be physically more appropriate to their specific

TRAINING AND AWARENESS CREATION

FGD participants had limited to no awareness of the support services provided by government and NGOs for skill enhancement. Out of a sample of 165, just one informal and another formal entrepreneur reported receiving one-day skill training, and a formal NGO worker confirmed knowing about the government's non-formal TVET programme. The two women had received barista training from the Provincial Department of Tourism, which facilitated the launch/growth of their restaurant. No one mentioned using a financial product for business. A few women: tuk-tuk drivers, Indigenous women, and women with disabilities, were aware of government schemes and benefits due to their association with NGOs and private companies.

When programmes exist, inadequate outreach initiatives result in limited awareness and skill acquisition, which leads to low access to fair employment opportunities. As mentioned by key informants, TVET institutions, in collaboration with local authorities, are well-positioned to bridge this information gap. By disseminating information at the community level, they can reach a wider audience, including those in remote areas. However, budget constraints and a gender-neutrality approach hinders comprehensive outreach. Women, poor people, Indigenous people, and persons with disabilities have historically been discriminated and excluded from information due to entrenched social norms [see quote below]. While policy frameworks are in place, the challenge lies in effective programme design and implementation. Discussions with several policymakers indicated that they have never seen a requirement for specific targeting of women and other vulnerable groups.

Participants have expressed interest in acquiring skills in tailoring or cooking, which would enable them to find jobs or open small businesses in the future. These businesses could include mom and pop shops, bakeries, roadside eateries, and boutiques. Enterprise formalisation is a distant thought which could be considered in the future depending on business performance and legal requirements. TVET programmes could build skills of such women groups, but the provision of such one-off training services will not have a significant impact on formalisation. This is because women-owned businesses may not scale to the level where they become eligible for registration, due to lack of mentorship and growth opportunities, as well as financial constraints that were discussed in the previous section.

“We offer fair access to all schemes to poor and near poor groups; it is up to women to access them or not.” **-key informant**

9/20 GROUPS

Feedback on the factors beyond skill development that could create an enabling environment or mitigate constraints on women's decisions to remain in the informal employment are:

PROVISION OF SOCIAL SECURITY BENEFITS TO INFORMAL WORKERS

Lack of access to adequate healthcare facilities is a major disadvantage of working in informal employment and a prime reason for seeking formal roles. However, with the availability of the voluntary A4S scheme for self-employed individuals, there is opportunity for some women in informal employment to gain access to social protection. For non-contracted domestic workers, health expenses are often covered by employers, reducing the perceived value of entering into binding employment arrangements.

TAXES

When businesses are eligible for formalisation, government regulations and taxation policies can discourage their formalisation. Entrepreneurs fear increased tax burdens and bureaucratic hurdles associated with formalisation. This leads them to continue operating informally, despite the potential benefits of formalisation.

4.1.5 SOCIAL NORMS, CAREGIVING, AND THE MOTIVATION FOR FORMALITY OF EMPLOYMENT

How do social norms and gender roles, including community perceptions of idealised masculine and feminine identities, shape women's decisions to work informally and influence expectations about the type of work they engage in?

Finding: Gender roles influence women's decisions to work in either informal or formal employment, while social perceptions shape the limited options they choose from within the informal economy. Thus, gender roles/beliefs strongly determine the choice of informal employment. Social perception is a medium determinant of informal employment for women but strongly determines the choices of women with disabilities.



GENDER NORMS AND GENDER ROLES

8/16 GROUPS

Traditional gender roles require women to perform household chores and fulfil caregiving roles. Women have internalised the societal expectations of being primary caregivers and prioritising family responsibilities – and see these as primary duties in their lives – as illustrated in Chbab Srey. Men agree that they should share responsibilities, but regard caregiving as a “special responsibility” of women. This self-perception related to caregiving is particularly strong among married women and mothers who disproportionately bear the bulk of unpaid family responsibilities.

“I was working at a garment factory with a contract, took maternity leave, but ultimately had to quit the job to look after my child.” **-Construction worker, Phnom Penh**

“I would like my wife to stay at home and look after the house and kids. She can do any business from home.”
-Man with working wife, Ratanakiri

Men believe that they are less suited for domestic roles and women are better at raising children, including communicating with and teaching them. That is why they rely on women and when asked to perform childcare or housekeeping tasks, may perform such tasks inadequately. A few men respondents said that they are comfortable sharing housework if their wife's work pays more than ordinary and offers fair working conditions (regular holidays, stable hours, and fair wages). There is, however, a tiny portion of men that strongly refuses to contribute to caregiving and domestic chores.

“Men may motivate their wives, but very few are considerate and help with kids and chores. They may perform some childcare duties like engaging kids, bringing them to school. They help us when we ask them.” **-Micro-business owner, Ratanakiri**

Both the internalisation of women's roles and the inadequate contributions from men can be closely linked to traditional notions of masculine and feminine identities. Men are perceived to be primary breadwinners, providers and protectors, while women are primarily responsible for domestic duties and childcare. These duties are believed to be feminine actions that require patience, empathy, and meticulousness, traits that may be missing in men. The quote on the right depicts how the lingering perception from older generations limits employment opportunities for women – including those who identify as Indigenous.

“Elderly people say that women should do chores and men are supposed to go for food hunting.” **-Indigenous women, Ratanakiri**

The time low-income and middle-income women have for paid work depends on the extent to which domestic responsibilities are shared with men partners and other household members. With the household dynamics described above, formal employment conditions become challenging as formal work requires working a fixed number of hours and days per week. Therefore, informal jobs, especially those near home, emerge as top choices. This type of work includes

running a small business. Key informants noted that household responsibilities also make it challenging to mobilise women to attend available trainings, further limiting their ability to develop skills for formal employment.

However, societal shifts are apparently taking place. Idealised identities also begin to change course when a family's socioeconomic situation does not allow women to operate as full-time home makers.

Generally, the availability of reliable secondary caregivers – grandparents or women neighbours or nannies – improves the likelihood that women will engage in informal or formal employment. If caregivers are not available or affordable, women are likely to stay home until their children reach an age where they can manage themselves. When women need to migrate in search of money or a career, they leave their children in the care of the father or women secondary caregivers.

“I have brought my daughter to Phnom Penh with me and my neighbour takes care of her while I work.” -Micro-business owner, Ratanakiri

SOCIETAL PERCEPTION AND CONFORMITY

14/16 GROUPS

Rigid gender norms push women to work informally. Social conditioning has developed subconscious beliefs among women about certain types of work that are inappropriate. Women voluntarily refrain from engaging in such work to avoid social sanctions. Such occupations are usually found in the informal economy. Consequently, the number of income opportunities available to women are limited.

Both household and community members admire women who earn money to support their family, regardless of whether the work is formal or informal, provided it does not risk family reputation and integrity. Women engaged in agriculture, hospitality, domestic work, food processing, or small-scale businesses receive admiration while those working in sectors like tuk-tuk driving, scrap collection, or entertainment are stigmatised. Three distinct patterns of how societal perception and conformity determine women's decisions are outlined below.

“I would like my wife to stay at home and look after the house and kids. She can do any business from home.” -Man with working wife, Ratanakiri

Full adherence with social norms – either subconsciously or consciously: A majority of the women interviewed think that they have autonomy in making decisions about their work as well as household matters. While women explicitly say they make independent work choices, analysis indicates that the decisions to engage in activities with lower incomes and lesser responsibilities are subconsciously shaped by years of subtle messaging. This messaging comes from their family, the community, and books, and promotes the idea that some jobs are aligned with social norms and traditional beliefs and others are not. This is especially true for older, married, primary-educated, and Indigenous women. It appears that the women interviewed do not realise that their conditioning guides decisions automatically, even if they do not critically examine them. The work they engage in, whether in agriculture, hospitality, or small-scale businesses, is often socially accepted and aligns with community perceptions.

The supposed autonomy in decision making appears to be an outcome of permission given by male relatives and previous positive experiences and feelings of trust given by them.

“We take our own decisions for the kind of job we want to do. For household daily expenses, women have more say, but for larger decisions, we discuss and decide together with the family.” -Food processing factory worker, Kampot

“The fact that women could make decisions depends on how much power their husbands give them to do so, then women could decide without any conflicts.” -Garment factory worker, Phnom Penh

Within this category, there is a subset of women, such as those working as labourers or in the hospitality sector, who actively discuss income decisions with their partners out of mutual respect and follow their partner's advice. However, there are no definite patterns associating joint decision-making with age, marital status, or education level. Concurring with the views of women respondents, nearly all men with working women family members report that they support their women relatives in work decisions and do not intervene as long as the occupation is not socially stigmatised. Men feel the need to make decisions mainly when women and girls have less education. Women with higher education levels or who have higher-income jobs are generally able to make their own decisions. For major life choices such as changing professions or migrating for work, a consensus-based decision-making approach is followed. With this approach, ideas are exchanged, and the opportunity cost of such transitions are assessed.

Married women, particularly mothers, may reluctantly accept family decisions to maintain unity and avoid conflict and violence. For instance, a woman running a formal beverage business was forced by her [professor] husband to stop formal work and start an informal business so she could care for their child and family. Country statistics show that almost half (49.5%) of women who have ever had a partner aged 15-49 had experienced violence when their partners got drunk. Of those experiencing violence, 75.8% reported being afraid of their husbands or partners.⁶⁴ While rigid patriarchal norms and forced decision making is visible across socioeconomic strata, it is more common among lower-income groups. In summary, regardless of the type of occupation, both spousal and family pressure could hinder women's work decisions.

Partial adherence: In situations of economic hardship, women may defy societal expectations and engage in work that is not traditionally dominated by women. Their work choices are usually driven by necessity and derive a mix of admiration and sympathy from the community.

In contemporary societies, certain occupations are still perceived as male-dominated, leading to societal expectations and potential stigma for women who venture into them. This expectation often leads to surprise and disbelief when women enter these traditionally male roles. Women tuk-tuk drivers deal with a widespread stereotype that they are less skilled drivers than men. This preconceived notion sometimes leads to discriminatory behaviour from customers, who cancel rides upon learning that their driver is a woman. When people see female delivery agents, questions such as "How are you doing this job? Is it hard for you?" and "Why are you doing this job? Don't you have a husband to take care of you?" are commonly asked.⁶⁵ These questions highlight the underlying assumption that women are not capable to handle or suited for physically demanding or unconventional jobs. They also reveal a deep-seated belief that women's primary role is within the domestic sphere, rather than in the public workforce.

Defiance: A third group of women respondents face a conflict between economic necessity and social norms. These are women who, for lack of better alternatives, voluntarily enter socially stigmatised lines of work to financially support themselves. Single and divorced women, often from poor backgrounds and without any family support, work in massage parlours, casinos, beer halls, and KTV parlours. In this line of work, they may be forced into entertaining male customers, consuming alcohol, and performing sexual acts to provide for themselves and their dependents. They realise that they may face social sanctions such as being avoided and stigmatised; becoming victims of gossip and violence; and being insulted. In the worst cases, they are ostracised by the community for not adhering to social norms. However, they may still choose to work in these sectors. This illustrates how economic imperatives can override social norms, surpassing fears of stigma and the risk of bringing dishonour to the family. To avoid ostracism, these women try to hide their occupations from the community.

INTERPLAY OF INTERSECTIONALITY AND SOCIAL NORMS IN LIMITING EMPLOYMENT OPPORTUNITIES

LGBT+: LGBT+ individuals with openly revealed gender identities and sexual orientation face significant barriers to employment in the formal sector. Transgender respondents reported being discriminated against and stigmatised due to their gender identity, including being asked to cut their hair and not apply makeup. This caused them to exclude themselves from certain jobs within both formal and informal sectors. The makeup industry is considered more receptive to LGBT+ members. However, one respondent reported that they were restricted from accessing professional opportunities in the sector due to religious and traditional norms.

⁶⁴https://nis.gov.kh/nis/CDHS_Further_Data/CDHS%20Domestic%20Violence%20Report%202024_En.pdf Pg. 10

⁶⁵<https://www.khmertimeskh.com/50798190/food-delivery-companies-give-women-equal-opportunities/> para 13

“I enjoy salon work. Once I was denied access to a bride due to my identity. While Khmer weddings are generally more inclusive, Islamic weddings have stricter rules. LGBT+ people are not allowed to have any contact with the bride during these events.” -**Makeup artist, Banteay Meanchey**

While LGBT+ persons have access to economic opportunities in Cambodia, few of these opportunities provide a supportive cultural environment. Hence, LGBT+ persons are prompted to seek alternative income sources such as freelancing and micro-entrepreneurship. By pursuing these paths, they feel less exposed to social stigma and are more accepted by society. Lesbian and bisexual FGD respondents did not report experiencing discrimination based on their sexual orientation. However, a key informant reported that individuals who disclose their sexual orientation are often excluded from private sector roles due to concerns about maintaining public relations. A study by the Cambodia Center for Human Rights⁶⁶ conducted in 2019 showed that one in five of 111 respondents had been refused work in the formal and informal sectors because of their sexual orientation and gender identity. One-fifth of the respondents reported that they hid their sexual orientation and gender identity to get a job. One in three of 111 respondents had faced harassment or bullying at their current workplace.

Women with disabilities: Negative social norms and stereotypes surrounding disability often leads to both direct and indirect discrimination and exclusion of people with disabilities. Sometimes job applications are rejected outright due to a disability or assumptions about a lack of necessary skills, without giving candidates the opportunity for an interview (direct discrimination). Private recruiters, aware of the challenges faced by persons with disabilities, avoid hiring them to avoid potential additional costs related to workplace accommodations or training. Indirect discrimination, also known as “discrimination on the basis of disability”⁶⁷ is often more subtle. It happens when seemingly neutral policies or practices disproportionately disadvantage people with disabilities, effectively excluding or restricting them. This has the purpose of impairing or nullifying their equal recognition, enjoyment, or exercise of all human rights and fundamental freedoms in any field—political, economic, social, cultural, civil, or otherwise. It includes all forms of discrimination, including denial of reasonable accommodation. For example, employers might refrain from offering formal roles to persons with disabilities or terminate their employment after a trial period, citing sub-par performance or difficulty adjusting to the work environment. Women with disabilities reported being mocked, ridiculed, or stared at, which leads to feelings of shame and embarrassment. This further limits their social interaction and opportunities for employment. Nevertheless, in recent years, international organizations, NGOs, and government ministries have increasingly become more progressive and hired persons with disabilities. This is not as common in private companies where employment of persons with disabilities is not mandated by law.

I used to apply for jobs, but I was often rejected. I would hear things like, “People with a disability cannot do work well or for a long time because of their poor health” -**Woman with polio, tailor, Phnom Penh**

4.1.6 THE ROLE OF PAST EXPERIENCES IN INFLUENCING BEHAVIOUR

How do past experiences influence women’s decisions to engage in informal work?

Finding: Past experiences and memories are a medium determinant of women’s decisions to engage in informal work.

8/16 GROUPS

Some group participants discussed their past experiences of harsh treatment in formal roles and how their desire for respectful work environments shaped their current work choices. Harsh supervision, including scolding, blaming, and unkind language, are common grievances, especially among those who work in garment factories. Other negative experiences included working for long hours without breaks, which negatively affected the respondents’ health. Even informal employment does not ensure a fearless, dignified working environment, as reported by tuk-tuk drivers: “We are exposed to abusive treatment by customers who call us names and don’t pay for rides.” Repeated incidents of traumatic experiences have been etched into their memory, triggering dissatisfaction and a reluctance to pursue formal opportunities. This motivates the respondents to seek alternative employment options that are more comfortable and flexible.

Past experiences do not simply result in a one-way transition from formal to informal work. Individuals often leave informal work as well, citing its physically demanding nature, to join garment factories where the work is perceived by them to be less exhausting while offering higher, more stable income. Conversely, they may return to informal work when their socioeconomic situation allows them to avoid excessive physical strain. While past experiences shape current decisions, they are not as strong a determinant of work choices as women's socioeconomic situation.

"Previously my husband and I were crab collectors. I found it very tiring, and other collectors tried to steal our catch. Hence, I left that work. Then I went to work at a garment factory in Phnom Penh; and later when my children grew up and offered to support me, I returned to my hometown. I am now working part-time as a crab meat picker to get some additional income." **-Agricultural labourer, Kampot**

RELATIONSHIP WITH THE COM-B MODEL

As demonstrated by the above discussion, **employment decisions are not made in silos. Any behavioural decision results from a dynamic interplay of capability, opportunity, and motivation:** it starts with the availability of opportunities followed by capability and willingness to fulfil an available opportunity within existing constraints. Willingness is a behavioural trait determined by psychological factors such as emotions and habits which are a product of cultural conditioning, feminine traits, past memories, and personal desires that contribute to motivation. The interplay of these factors is elaborated in the sub-sections below.

4.1.7 THE ROLE OF HABITS IN DETERMINING BEHAVIOUR

How do habits and routine shape women's work behaviour?

Finding: Habits are a strong determinant of women's employment choices.

7/16 GROUPS

Seven out of 16 groups, including agricultural labourers, domestic helpers, scrap collectors, construction workers, street vendors, and tuk-tuk drivers, emphasised a strong motivation to keep working in their informal roles. This motivation is often driven by the comfort and familiarity of their routines and is a key component of behavioural patterns that foster continuation in informal occupations despite limited financial security.

Long-term habit patterns: Workers such as street vendors and agricultural labourers reported that they "have never done anything else," indicating a deep-rooted familiarity formed over years of working in the same sector. It also indicates the lack of an intrinsic motivation to pursue different roles. While their roles often lack career progression, they do offer comfort and consistency. A street vendor noted, "I like to do business; I have been doing this work since high school." She has never considered any other employment avenue. These examples show that women choose roles to serve personal interest and provide long-term comfort. While access to opportunities is limited, even when they arise, women may be hesitant to pursue them if they fall outside of their comfort zone. Being able to continue their daily routine (e.g. domestic chores) that they have integrated into their lives is an important contributing factor that determines their motivation.

Freedom from pressure and comfort in scheduling: Another motivating factor to join informal employment is the slower pace and low-pressure environment associated with these jobs. There is also the perception of more personal freedom in these jobs. Informal jobs offer flexibility, such as taking breaks and time off without strict procedures, thus reducing physical and mental strain. Informal workers can avoid the pressure of rigid, structured employment, and work responsibilities. This lack of structure provides a sense of ease and reduced hassle, supporting a motivation to stay in informal roles. This is particularly true for married women and mothers.

Informal roles that allow for flexible schedules include street vendors in Kampot; tuk-tuk drivers in Phnom Penh; agricultural labourers in Kampot and Banteay Meanchey; and scrap collectors in Banteay Meanchey. Salary deductions for unauthorised absences or late arrivals, and mandatory requirement to serve notice periods in formal jobs further discourage women from seeking formal employment. Around 44% of the members of this FGD reported that they would prefer to work in the informal sector because of the flexibility it offers.

“Women working fixed hours have no freedom, suffer from work pressure, and sometimes get called out for delivering work late which could have happened due to health issues and exhaustion.” **-Street vendor, Kampot**

“When I was a cleaner, I needed to ask permission for personal emergencies. My salary was deducted for absences. I had to work fixed hours. I can stop driving my tuk-tuk any time to pick up children from school and run errands. It also gives me more personal time to rest.” **-Tuk-tuk driver, Phnom Penh**

4.1.8 EMOTIONS AFFECT MOTIVATION, WHICH IMPACTS BEHAVIOUR

Which emotions are associated with undertaking informal employment? How are they encouraging or discouraging women to take up informal work?

Finding: Emotions are a strong determinant of women’s decisions to engage in informal work. These include caregiving and the self-assurance resulting from financial independence.

Emotions such as affection, fear, confidence, and a sense of security and freedom deeply influence workers’ decisions to sustain informal employment. They influence behaviour by shaping decisions, reinforcing habits, and acting as drivers or barriers depending on social conditioning, past experiences, and perceived outcomes. The wide spectrum of emotions captured in FGDs are covered below.

CAREGIVING EMOTIONS

10/16 GROUPS

As mentioned previously, women’s employment decisions inevitably reflect their perceived social roles and personal values. Growing up surrounded by societal norms and deeply held beliefs about familial roles, they internalise these expectations. This shapes their motivation to prioritise caregiving responsibilities as they embrace motherhood and become affected by parents who are aging and potentially facing health issues. Caregiving is deeply intertwined with their sense of self. It cannot be dissociated from women as they have seen elderly women dedicating themselves to their families and child rearing. Love, affection, and compassion for family also drives women to align their actions with this primary identity (see examples below).

“In formal employment, I would have fixed working hours, leaving me little time to care for and cook for my children. Finding a reliable nanny can be difficult, and I worry about the quality of food my child might receive.” **-Tuk-tuk driver, Phnom Penh**

“I started working as a cleaner at a bank in Banlung (formal job) but had to resign within two months because my two-year-old child constantly cried for me, despite having someone to help care for him.” **-Farmer, Ratanakiri**

Women could take up caregiving full time, but financial constraints may not allow them to do so. Driven by deep sense of familial responsibility and love, women take up paid work in addition to their unpaid care duties. These care duties cannot be neglected due to deeply ingrained gender norms. Those who have limited education and skills must take up an occupation from the limited available opportunities. One participant said, “Despite occasionally facing verbal abuse from demanding employers, I persevere, recognising the importance of my contribution to my family’s well-being.” This quote underscores the respondent’s commitment to family, even under challenging conditions. In such situations, women often rely on compassionate support of secondary women caregivers.

The urge to provide financial support without sacrificing family time and caregiving makes informal employment a practical option because formal employment doesn’t typically allow such flexibility. Informal work supports cultural and practical needs, accommodating women’s roles within their families and providing them with greater autonomy and control over their time.

A combination of capabilities, opportunities, habits, and family orientation also contribute to migration for domestic work. These workers usually migrate seeking income opportunities to offset loans and improve their family’s financial situation.

They view this work as an extension of their routine, shaped by social conditioning to perform household chores. The work is physically manageable, and alternative opportunities that align with their skills and education levels are scarce. Living at their employers' residence allows them to save on living expenses while providing better financial support for their families.

SELF-ASSURANCE AND FINANCIAL INDEPENDENCE

9/12 GROUPS

In addition, women expressed a sense of emotional assurance derived from the financial independence that informal work provides, despite their low levels of education. Women exercise agency to join a profession that may not be culturally or physically appropriate to become emotionally assured of a financially safe future. Among women who migrate, their decision to migrate is driven by a need to support their family and their desire to pursue opportunities that are financially rewarding and socially acceptable. Being independent gives women control over their earnings and expenses. With informal employment, they can continue to work in their later years, as long as they are physically and mentally capable, ensuring a continuous income and financial security in the long term.

“I do this job because I want to earn money to buy the things I would like to have; no other factors influence my decision.” **-Entertainment worker, Banteay Meanchey**

“My son gives me money. I think it is better if I could earn some money by myself so I could spend on the items that I want; my own pocket, my own decision.” **-Agricultural labourer, Banteay Meanchey**

EXPERIENCING AGENCY

Six out of 16 groups reported that the ability to earn provides women with a sense of autonomy, particularly in societies where traditional gender roles dictate their daily lives. They can start and stop work at their own convenience, without the need for prior notice or permission.

POSITIVE WORK RELATIONSHIPS – SENSE OF EMPATHY AND BELONGING

12/16 GROUPS

Informal workers in 12 out of 16 groups reported an emotional association with their current employment. In their current jobs, workers have found employers who offer a supportive and caring environment. Kindness from bosses, such as providing accommodation, covering utility expenses, and offering salary advances or loans, creates a sense of security. Similarly, some mentioned having developed strong social bonds with co-workers, enhancing their sense of belonging. Workers in hospitality and other service sectors reported that they get along with co-workers, making the work environment enjoyable. Not only do the facilities offered by informal employers save expenses and provide financial security but the camaraderie with employers and co-workers is emotionally rewarding and reduces the desire to leave current jobs.

FEAR

2/16 GROUPS

Paid workers: Informal jobs are more often located closer to home, something which women reported makes them feel physically safer, especially in regions with poor public transportation or security concerns.

Self-employed workers: Micro-entrepreneurs may avoid formalising their businesses due to fear of taxation. Not all businesses qualify for formalisation, but those that do apparently need greater motivation to overcome fear of taxation. They do not feel sufficiently motivated by any benefits they perceive being offered through formalisation.

4.1.9 ROLE OF ASPIRATIONS AND GOALS IN DETERMINING MOTIVATION AND BEHAVIOUR

What are the aspirations of the individuals in the target community? How do those aspirations play a role with the target behaviours?

Finding: Aspirations and goals are a relatively medium determinant of women's work choices amongst women who lack resources and capabilities.

9/16 GROUPS

Nine out of 16 groups reported being highly aspirational about their work. The primary motivation for young and middle-aged women up to the age of 50 to engage in informal jobs is to save money for a secure, safe future. A safe future could be guaranteed by starting their own business. Several respondents mentioned the opening of small grocery shops, salons, or tailoring shops (which do not need to be registered). Alongside these practical goals, some expressed interest in saving money to pursue courses for personal growth and development, aiming to improve their skills and knowledge. An Indigenous woman reported hoping to use her income to pursue a bachelor's degree in agronomy and use her acquired technical skills to improve her community's farm productivity.

In this context, respondents do not think in terms of formality or informality; they prefer a type of work that suits their abilities and physical capabilities. They also want the job to align with their personal interests and goals. There is not a strong inclination for formal employment, but there is an openness to exploring formal roles. A few women mentioned that they would not go back to formal jobs in garment factories owing to the strict schedules. However, they would consider a cleaner's role, even at their old company, as it that role would be less tiring. Aspiration is directly related to age, skills, and knowledge; older women usually do not have plans to seek higher employment and prefer to continue in their current roles for as long as possible.

Women with disabilities: Women respondents with disabilities expressed a range of career aspirations, intertwined with their personal circumstances, health conditions, and societal constraints. Apart from the aspiration to earn secure and stable incomes to support themselves and their families, women have a strong desire for independence as they seek to make their own decisions and reduce reliance on others. Typical work choices include opening coffee shops, tailor shops, cosmetics businesses, and salons. Some also expressed a desire to contribute to their communities, such as by providing employment opportunities for other vulnerable individuals. A few even aspire to leave a legacy by inspiring others with disabilities by creating sustainable businesses.

4.2 IMPLICATIONS FOR FORMAL EMPLOYMENT

As discussed in **Section 4.1** above, the decision to engage in informal work in Cambodia is influenced by a complex interplay of factors, including capability, opportunity, and motivation. While informal work offers several advantages such as caregiving flexibility, independence, and proximity to home, as described above, it also presents significant challenges and risks. These include uncertain income, lack of access to social security benefits (health insurance, maternity leave, and pension) and harassment by employers and/or local authorities. These factors affect the wellbeing of the female respondents and could be mitigated by improved compliance of employers with labour standards. For micro-enterprise owners, these risks could be mitigated by reducing the costs associated with formalisation. These costs include fees for registering a business and obtaining a business licence as well as the cost for complying with taxation requirements.

From this perspective, the findings of the previous section does affect the likelihood of formalisation, considering specific categories of workers. The discussion in the following section covers the opportunities and risks of formalisation.

4.2.1 ECONOMIC OPPORTUNITIES

WORKING CONDITIONS

As detailed in the previous section, informal employment, with its less rigid schedule, provides more freedom and autonomy than formal employment. It can also serve as a continuous income source beyond traditional retirement ages.

Informal businesses may face less regulatory oversight and tax burdens. Some informal work, like trading, handcrafting utility or decorative items, and construction work, allows family members to work together and share income. However, many informal jobs like entertainment work involve hazardous working conditions, such as forced consumption of alcohol and harassment from clients. Tuk-tuk drivers report being vulnerable to exploitation, harassment, and abuse from male customers while informal construction workers often (but not always) lack access to occupational health and safety guidelines. Similarly, street vendors often face harassment and displacement from authorities which disrupts their livelihoods. Local authorities can impose fines, confiscate goods, or force vendors to relocate to less profitable areas.

Women in formal employment experience significant challenges which are as difficult, if not more difficult, than those in informal employment. Formal jobs usually require adherence to strict work schedules, limiting flexibility and personal time and causing exhaustion. Some women formal workers report being mistreated by their employers and they often have to fight to make their voices heard. Workers in customer service positions can experience rude or sexist comments from their clients.

Nevertheless, there may be comparatively better working conditions in formal employment including provisions for health and safety, grievance mechanisms, paid leave, and defined work schedules, as well as opportunities for career growth.

The responses from both formal and informal workers suggest that concerns about working conditions exists in several industries. This is not necessarily related to the type of employment but to the nature of work. While formal employment can be regulated through labour laws and policies, informal work lacks such protection, leaving scope for exploitation and abuse (see supporting quote from key informants below). There is no study to document that women suffer less abuse in formal roles compared to informal, because the informal sector lacks documentation.

We must recognise that decent work cannot be guaranteed in informal employment. Working conditions in the informal economy are undocumented. There is no data on abuse of labour and discrimination. Regulation on social security, minimum wages, and occupational hazards do not exist. Formalising employment is necessary for working conditions to be tracked.

INCOME AND JOB SECURITY

Informal workers lack job security and face the risk of unemployment or underemployment, particularly during economic downturns. This is especially pronounced in sectors like agriculture, where seasonal variations and climate-related factors can lead to prolonged periods of underemployment. This makes it difficult for informal workers to meet their basic needs.

Nearly 50% of the sampled informal workers have expressed interest in a transition to formal employment for higher and regular salaries, guaranteed working hours, social security benefits, and legal protection from being overworked. The community expects formal employment to offer higher wages and guarantee the inflow of income, enabling women to support their children's education. Income stability is the biggest opportunity of formal employment followed by other social benefits and prestige.

“In the future, I wish to work in the garment sector where I will be paid \$300-\$400 a month. Right now, I receive \$150 a month.” -Construction worker, Phnom Penh

Legal protection is a key advantage of formalisation. It ensures that workers cannot be arbitrarily terminated from their jobs and are not required to seek frequent contract renewals. Formalisation would be of immense benefit particularly to certain groups of workers, such as floating garment factory workers who rely on verbal agreements (renewed every 20 days contingent on the availability of work), leaving them in a constant state of job insecurity. Formalisation also simplifies access to credit, as regular salaries enable borrowing from financial institutions without fear of default caused by job insecurity.

BUSINESS REGISTRATION

The benefit of formalisation extends to micro-enterprises as well. Street vendors report harassment from local authorities while selling vegetables outside designated vending spaces. If they registered their businesses, they could sell their goods in a proper and protected location. Indigenous women selling wine could brand their products and gain recognition from the authorities for offering a signature product of their communities. This would enable them to expand production, sell beyond Ratanakiri, and secure higher incomes for their communities. There is nevertheless concern that registered businesses would attract greater scrutiny from local authorities in terms of applying tax requirements and regulations, increasing operational costs and reducing profitability.

An important concern is that women continue to experience discrimination in terms of wages in both formal and informal employment in Cambodia. According to the UNDP's 2021 report on the gender wage gap, female workers earn 19% less than their male counterparts for similar work. In addition, female workers with limited education and professional training are forced to accept lower pay compared to male workers, partly due to sexist attitudes.⁶⁸ However, female workers in registered micro-businesses are likely to be treated in a more dignified manner at the workplace and would have a higher chance of grievance redressal.

Notwithstanding the differences in opinion among different employment groups, older respondents, particularly women, do not feel that they have opportunities to change jobs, as employers are biased against them. This is true across all sectors. Therefore, they may never be able to access the benefits of formalisation unless there is a change in regulations that prohibit discrimination against older-age workers.

Based on this discussion, formalisation offers greater opportunities for economic inclusion in the form of fixed salaries, regulated working conditions, paid leave, job security and business expansion through greater networking.

4.2.2 DOMESTIC OPPORTUNITIES

DECISION-MAKING POWER WITHIN THE HOUSEHOLD

Increased financial contribution in the household from women leads to greater recognition, respect, and decision-making power within the family, ultimately empowering women and promoting more equitable relationships. Women workers in the formal sector feel empowered to make decisions about their careers, finances, and family life. This does not mean informal workers do not have agency – as discussed in the previous section. They also believe that due to their social status and education levels, they have greater decision-making power compared to those in informal work. A woman working as a customer service manager mentioned that her perception of her own value and the value placed on her by others has shifted significantly with her transition from the informal to the formal sector. While her work in the informal sector, particularly in construction, was not recognised or valued, her current role in the formal tourism sector has garnered more respect and appreciation. However, it is important to note that not all women in formal employment have equal decision-making power. One woman who owns a formal beverage shop reported that her earnings are controlled by her husband. Thus, formalisation may not always be, but can be, a powerful tool for promoting gender equality within the domestic sphere. Factors like education, income, workplace culture, gender discrimination, and social norms also significantly influence a woman's ability to exercise her decision-making authority.

“I respect my wife’s work and her judgment, regardless of her income. If she chooses to leave her job, I fully support her decision. But in the Indigenous community, men make decisions for the family because the women do not have high levels of education.” **-Man with wife working formally, Ratanakiri**

INTIMATE PARTNER VIOLENCE (IPV)

Socially and economically rewarding employment opportunities, often found in the formal sector, can be a powerful tool in combating common forms of gender-based violence, including the most common form, IPV. Upon achieving financial independence and realising self-worth, women become less reliant on their partners for financial support, which reduces their vulnerability and empowers them to leave abusive relationships. However, other factors, such as community support and sensitisation initiatives, play a pivotal role in addressing IPV. This was evident in the cases of two Indigenous

⁶⁸UNDP. (2021). UNDP Launches Report on Cambodia's Gender Wage Gap. UNDP. <https://www.undp.org/cambodia/press-releases/undp-launches-report-cambodias-gender-wage-gap>

women: one employed full-time with an NGO, and the other in an informal role. The former's husband had been violent towards her due to her working a job in a provincial town, but his violence decreased by 80% following the involvement of community members. In contrast, the latter's husband continued his violent behaviour despite intervention from community leaders, and he eventually faced sanctions from the village which led to the couple's divorce out of shame.

DOMESTIC WORKLOAD

Formal employment does not automatically lead to equal household duties. Men often avoid domestic work, and their contributions are minimal. However, when women are economically active, men are more likely to share household responsibilities.

“If I am able to earn income as opposed to staying at home, then my husband helps me with the domestic chores. This makes my work easier.” -Tuk-tuk driver, Phnom Penh

This was reported by both formal and informal workers. The role of men and women in the household depends on a mutual understanding regarding time availability. Women are likely to have less time available when engaged in formal roles. Generally, women are tied to domestic work and contribute at least 50% of their time to household duties. They also see it as their moral obligation. Many middle- and high-income formal workers engage minimally in housework mainly due to their capacity to outsource it.

Formalisation offers moderate opportunities to enhance women's agency and create an inclusive domestic environment.

4.2.3 SOCIAL OPPORTUNITIES

ACCESS TO SOCIAL WELFARE BENEFITS

Health insurance is optional in informal employment but mandatory in formal employment. When employers do not provide health insurance, workers have to cover their own treatment expenses, which places a significant financial burden on them. Without access to safety nets, they may struggle to meet their basic needs and may be forced to rely on family and community support. FGDs showed a lack of awareness among workers about their eligibility for social protection benefits. The voluntary-participation A4S project has been launched recognising the health requirements of workers in the informal economy.

Even when workers are aware of NSSF benefits, they may struggle to push employers to register them, as employers often avoid NSSF registration to evade tax burdens and additional expenses. This reluctance from employers, combined with workers' fear of potential income loss, discourages workers from advocating for NSSF registration. Where there is a concerted effort to engage informal workers into the NSSF, enrolment is hindered due to a lack of mandatory requirements such as paperwork and Sangkat registration. Given the nature of informal work, it is difficult for workers to take time to return to their home communes to obtain the necessary documents. The undefined and often high costs of Sangkat registration present another barrier.

Women who work in the entertainment (sex) industry are in greatest need of social welfare benefits. If they had better access to adequate health insurance, they could be better protected against sexually transmitted diseases. However, they face discrimination and harassment when attempting to secure the required paperwork and registering at NSSF kiosks, as confirmed by key informants.

For these reasons, formalisation presents many social and economic opportunities including access to employer-funded welfare benefits without hassle and discrimination. It provides coverage against occupational health hazards and injurious accidents, thus supporting them contributing productively to the family and economy.

RESPECT IN THE COMMUNITY

Informal workers are respected in the community for their monetary contribution to the family, if the work is socially acceptable. Male FGD respondents also said that they appreciate women for contributing to the welfare of the family based on their knowledge and skills. They agree that work in the formal sector is socially more rewarding: “When we

know someone is working at the bank, we automatically consider them highly. A bank job is highly regarded in social circles compared to a role in garment factory or at the supermarket.”

Women who work in the formal sector report having access to opportunities for networking, up-skilling, and career progression which builds their confidence and generates respect from the community. One of the men FGD respondents expressed pride in stating that his wife is the first woman director of a state-owned enterprise, highlighting a rare instance of women in leadership roles. Such opportunities are not available in the informal economy. Two women respondents in the corporate sector mentioned that they could see a significant shift in people’s attitude and admiration towards them once they transitioned from informal to formal jobs.

“Previously I worked at a construction site. People in my community did not value me much. But now that I have a formal job, I see that there is a lot of respect for me.”

-Front desk worker, Phnom Penh

“Some men do not value women who do not generate income or earn less money. But they tend to change their perspective about women in the formal sector.”

-Housekeeping supervisor, Phnom Penh

The community places formal and informal workers on different levels and differentiates between workers within each sector based on their income and occupation. This perception is supported by the opinion of informal workers who feel that their work will generate greater honour and yield decision-making authority if it is recognised as formal.

Protection against social ostracism: As a result of ostracism, workers in the entertainment industry may have to hide their identities or their jobs. In fact, they did not want to disclose their identities even during FGDs. They believe that formalising their current work or transitioning to formal roles could help shield them from ostracism and bring greater respect and acceptance within their households and communities.

In summary, there appears to be a strong motivation among workers in the agriculture, construction, and entertainment sectors to transition to formal employment. They would like to formalise to have better working conditions such as a fixed income throughout the year. They also believe they would not be mistreated by employers for mistakes. In addition, the availability of social security benefits would also provide them with a safety net. However, certain formal sectors such as the garment industry have harsh working conditions and workers who were previously employed in the garment industry no longer wish to go back to those jobs. Therefore, while formality is indeed desirable for the benefits it offers, not all formal jobs are equally desirable for all workers. Their previous experience and perceptions about their jobs play an important role.

Overall, it seems that social security benefits have high potential to support inclusion. This is because, social security benefits help build workers’ resilience against sudden shocks and emergencies such as or a financial loss. However, there remain doubts about the extent to which formal jobs provide the better working conditions that informal workers believe exist in these jobs.

Formalisation offers moderate to high opportunities for social inclusion of women.

4.2.4 ECONOMIC RISKS

OVERHEAD EXPENSES

As discussed earlier in **Sub-section 4.1.1**, informal work is available locally while most formal job opportunities are concentrated in urban centres and provincial capitals, leading to workers incurring significant commuting costs. Hence, many workers continue working in the informal sector because the work is closer to the homes. Women workers have reported leaving full-time roles at garment factories and taking up informal work to live together with their husbands and families and save overhead expenses.

“There could be work available in the formal sector. But it is going to be far from where I live, and I would have to spend money on accommodation, transport, clothing, and cosmetics. So, it would make no difference.” **-Entertainment worker, Kampot**

However, there are both informal and formal businesses that cover accommodation and utility costs for migrant employees. Workers are likely to opt out if businesses are not brought close to their homes, or if formal work is offered without any visible economic advantage.

DOCUMENTATION ISSUES

Discussions with scrap collectors highlighted the complexities related to documentation that informal workers face when they wish to transition to the formal sector. At least three scrap collectors were engaged in formal employment in Thailand and Malaysia before they were forced to come back to their home country only to work as scrap collectors. The reason for this was that either their passports or their work contracts had expired, and they did not have either the money or the knowhow to renew them and gain eligibility for formal work. A few other respondents mentioned that coming from poor backgrounds and lacking identity cards made them ineligible for formal employment.

STRICT TIMINGS AND REGULATIONS

The most common reasons for avoiding formal work are strict working standards and related pay cuts. Workers fear that due to strict working standards in formal employment, they would be blamed for the slightest mistakes and potentially subjected to pay cuts. Those who were employed in the garment industry left because they found it challenging to abide by the strict rules of the formal sector. Employees had to respect working hours or they would be warned and penalised or dismissed. In addition, they were often asked to fill out lengthy forms whenever they wanted to take leave. This was deemed to be a very cumbersome process and was highlighted as a major disadvantage of a formal job. A few also reported salary deductions if they took leave without notice. Nobody wants too many rules at work – women want roles that allow them time for rest and caregiving. Such a working model is uncommon in formal employment and therefore women choose to opt out of the formal economy.

DROPOUT FROM FORMAL TO INFORMAL ECONOMY

With a rigid schedule, formal work can cause mental exhaustion and eventually force women to quit if they do not have the option of support from secondary caregivers. There are several reported instances of exclusion triggered due to caregiving duties and rigid work schedules within the formal sector, especially among low-income workers. However, eight formal employees who participated in an FGD said that they have not considered leaving their current jobs, although they appreciate flexibility at work.

“Formal employment may not be favourable in terms of fixed timing at work and there is less time to spend at home. My employment contract did not allow me to take leaves of absence frequently. I had to quit the job at garment factory to look after my sick mother.” **-Domestic helper, Phnom Penh**

4.2.5 DOMESTIC RISKS

COMPROMISED RECOVERY TIME AND CAREGIVING

Qualitative discussions show that as much as workers would prefer a higher income, they also greatly value the freedom to decide when and how they would like to work. This freedom is compromised in formal roles. Tuk-tuk drivers prefer their work because they can drive during hours convenient for them. This enables them to balance work with their household responsibilities. Formal roles require spending fixed hours at work which reduces time spent with the family.

“If I take up formal employment, I will have fixed working hours, and I will have no time to take care of and cook for my kids. It is also not easy to find a nanny for the kids, who will give the same care as a mother.” **-Tuk-tuk driver, Phnom Penh**

Women in formal employment agree that they have to make a trade-off between income generation and caregiving for children and the elderly. This is also true for informal employment, but there is more flexibility as there are fewer responsibilities. Mothers are allowed to suspend work when necessary and return when their personal responsibilities allow. As mothers go to work, the caregiving burden for children falls on the elderly and other family members. Children are entirely left in the care of grandmothers in migrant households. Both formal and informal employment increase

the caregiving burden of children on elderly and other family members to varying degrees. Broadly, self-employment, regardless of registration status, offers the most opportunity to balance income generation with domestic roles.

4.2.6 SOCIAL RISKS

LATE WORKING HOURS AND DISCRIMINATION

It has been highlighted before that women working late does not align with social norms. Additional commuting time results in female workers returning home late, with less time for domestic chores. This notion is particularly important for workers belonging to the Indigenous community. Due to deep-seated prejudices, their elders believe women should not work away from their villages and return before sunset to spend time on household duties. This leads to stigmatisation, discrimination, and ostracism of women, particularly of entertainment workers, who would become publicly identified within the community.

“Men could also work in the entertainment sector serving female clients. But perhaps men are subjected to less gossip. They are only being noticed now when LGBT+ men are working in the entertainment sector.” -**Entertainment worker, Kampot**

4.3 INTERSECTIONAL ANALYSIS ON OPPORTUNITIES AND RISKS OF FORMALISATION

This section covers the unique opportunities and risks of formalising the economy for socioeconomic inclusion of marginalised groups covered by the study.

4.3.1 LGBT+ COMMUNITY

ECONOMIC RISKS

Discrimination and lack of dignity in the formal sector: Respondents belonging to the LGBT+ community have not expressed interest in transitioning to formal opportunities because of the constant cycle of discrimination and humiliation that makes them feel unsafe. While an informal business is not free from challenges (such as a client refusing to accept their service due to their gender identity), it is still a preferred mode of livelihood for them as they do not have to work alongside the same individuals every day and experience workplace gossip that could compromise their dignity. By working in the informal economy, LGBT+ workers have the freedom to pursue their livelihoods with less fear of discrimination.

One LGBT+ worker mentioned how they were discriminated against by being refused access to a formal role at a garment factory and being asked to cut their hair to look more “manly”. However, despite having set up their own business, they are still occasionally discriminated against in the informal sector. Clients are not always willing to do business with “people like them”.

DOMESTIC RISKS

Inheritance: One of the LGBT+ respondents mentioned that they were denied any share in household property by their parents. This created difficulties for them in executing plans of starting a business, since their share in the household property would allow them to make necessary investments. There are also emotional consequences as it leads to them feeling that they are not loved by their family members, including their parents.

“I did not face many difficulties at the societal level. But my parents distributed money and assets to my siblings and gave nothing to me. I am waiting to see if my family members will give me something.” -**Noodle seller (LGBT+), Banteay Meanchey**

SOCIAL RISKS

Lack of respect within the community: Among all the difficulties faced by LGBT+ people, their biggest challenge is their lack of recognition and respect at a societal level. They are constantly humiliated and mocked, even by their close relatives and family members. They are derogatorily referred to as “Ktery” which causes them immense humiliation. They are also perceived to be “weak” physically and known to exhibit “girl-like” behaviour.

As shown through the qualitative analysis, formalisation will not guarantee socioeconomic inclusion of the LGBT+ community in Cambodia. There is no guarantee that their problems would go away even if their jobs were formalised. The risk is a lack of acceptance which limits their inclusion in social and economic spheres.

4.3.2 INDIGENOUS WOMEN

Qualitative discussions with Indigenous workers highlight structural issues such as discrimination due to their Indigenous identity which forces the majority of Indigenous workers to take up low-paying jobs in the informal sector.

ECONOMIC OPPORTUNITIES

Better income: As mentioned, Indigenous women suggested that registering as a producer group and branding their products could help them gain official recognition, expand production, and sell beyond Ratanakiri. This would lead to higher incomes for their community, which are currently limited due to their remote location.

SOCIAL OPPORTUNITIES

Breaking barriers, motivating other Indigenous people: A minuscule proportion of Indigenous respondents work in the formal sector and their responses highlighted the intra-group complexities of people belonging to this sub population. An Indigenous woman working at an NGO reported that she would like to serve as an example for others in her community to take up meaningful jobs so that they can escape their difficult conditions in life. While her job and the income it provides gives her greater leverage in the domestic sphere, the Indigenous worker also noted that education initiatives by local authorities have positively influenced her husband’s behaviour. This account shows the importance of behavioural change strategies to ensure effective transition to formal employment. This transition requires concrete efforts in changing people’s perceptions and attitudes towards work and towards the domestic and social spheres.

“I choose to work for an NGO to escape the suffering caused due to my husband’s violence...I would like to show the younger generation that a woman can earn money like a man to support her family.” **-NGO worker, Ratanakiri**

SOCIAL RISKS

Prejudice against married working women: Due to traditional beliefs within the Indigenous community (especially among people of older age), married women find it difficult to find work that aligns with social norms. Though times are changing, when married women travel out of their villages for work it is still not viewed positively, and they are asked to return before sunset. This forces many of them to stay in their villages doing odd jobs or earning no money at all.

4.3.3 WOMEN WITH DISABILITIES

RISKS

As mentioned in **Section 4.1**, there are two types of discrimination, direct and indirect, both of which play a significant role in the exclusion of persons with disabilities from formal workplaces. Direct discrimination stems from preconceived notions about the inability of persons with disabilities to perform certain tasks. Indirect discrimination arises from systemic barriers, such as avoiding additional expenses for accommodating their individual requirements. This accommodation is required under Article 27 of the Convention on the Rights of Persons with Disabilities, which entails ensuring accessible work environments, providing assistive infrastructure, and implementing policies that facilitate equitable opportunities for such persons to enable their full participation in the workforce.⁶⁹

NGOs and international organisations are particularly keen on offering employment opportunities to persons with

⁶⁹<https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-27-work-and-employment.html>

disabilities. However, given the lack of assistive infrastructure and the fact that formal jobs are located in designated urban areas that may not be close to the homes of persons with disabilities, they may not be able to commute to suitable workplaces.

5. LESSONS LEARNED

This research study analysed the interplay of society's cultural constructs and mental models (prevailing norms, power structures, beliefs, preferences and values), policies, and macro-economic factors (access to education, technical and vocational trainings, information, finance and labour market) that shape women's decisions to work in the informal economy or transition to formal employment. The key lessons emerging from the findings presented in the above sections are summarised below. These can serve as the foundation for designing gender responsive interventions at the systemic level.

1. There is strong evidence that systematic identity-based discrimination is prevalent in Cambodian society and the labour market. Opportunities for upskilling and employment diminish as various marginalised identities interact.
2. Some workers, particularly women workers, do not have enough access to or awareness of government skill development schemes due to low education and poverty. These schemes also have limited coverage and don't specifically target women. Based on interactions with a few policymakers, this could be attributed to the perception that men and women are equal, leading to a disinclination to develop gender-responsive budgets. Without gender-specific support, women are unable to access programmes that do not acknowledge their disadvantaged position in society. This is a general societal issue where a special focus on women's education and employment opportunities is not regarded as particularly important.
3. While women perceive agency in decision making, their employment choices are often influenced by social conditioning that guides them to anticipate and align with the expected responses of men and the broader community. Men generally appear supportive of women's economic choices, though some exceptions reflect rigid gender norms.
4. There are limited opportunities and formality of employment is not a priority when women from the sampled socioeconomic strata select work. Women choose occupations that are economically viable and socially acceptable, irrespective of formal and informal employment status. Their primary focus is earning an income and sustaining the family. This is particularly true for cash-strapped households that prioritise quick access to income due to immediate financial pressures, making the nature of the work secondary to the availability of cash.
5. Informality is widespread, with limited understanding of formal employment avenues. Formal roles are primarily associated with garment factories, which are often perceived as demanding and unattainable for middle-aged and older women. At the same time, their desire for financial independence drives them to choose informal work, which is more accessible to them.
6. In addition to supply side challenges in upskilling and employment creation, there are behavioural factors driving women's economic choices. Sometimes these choices are based on habits and routines that do not go beyond their comfort zone. Past experiences can also evoke strong emotions that deter women from re-entering previously held formal jobs. Moreover, traditional beliefs about a woman's role as the primary caregiver, combined with deeply ingrained feelings of nurture, love, and responsibility for family, often motivate them to make decisions that prioritise domestic and family obligations. For instance, women may choose not to participate in trainings at cluster centres or take jobs with long work hours, away from the village.
7. Return to formal work is possible. Financial needs and the need for stability outweigh negative past experiences.
8. Female micro-entrepreneurs and other women workers, particularly mothers and those aged 45 and above, are aware of the benefits of formalisation and explicitly choose to work in the informal sector. Half of the sampled informal workers expressed interest in transitioning to formal employment, citing income regularity and associated benefits such as respect, access to the NSSF, insurance, higher income, fixed hours, role clarity, and allowances. Entertainment workers believe that formalising their existing work or transitioning to other formal roles could improve societal perceptions and earn them respect. Women with younger children (less than 5 years old) are less likely to transition to formal employment, given their children's needs.
9. Self-employment is preferred over both formal and informal paid employment. It offers steady income;

accommodates caregiving duties; reduces the caregiving burden on older women while their daughters/daughters-in-law work; and prevents over-exhaustion as female workers can rest whenever they need. This is why very few self-employed women show interest in transitioning to other forms of employment.

10. The interest in formalisation appears as spontaneous thoughts rather than firmly considered intentions. Formal jobs do not appear as a long-term plan but rather a means to save money for starting a business. Female entrepreneurs want to avoid borrowing start-up capital, fearing the risk of falling into a debt trap if the business fails. Almost every woman interviewed aspires to start a small business but scaling up or registering it is rarely a consideration. Many women start micro-businesses because they need money. They do not actively plan for expansion to the point where their business becomes eligible for registration. This is often due to limited resources and a lack of awareness of growth opportunities.
11. As described above, both socio-behavioural and economic factors influence the transition of informal workers to formal paid employment. Capabilities and economic factors such as taxation and revenue determine the formalisation of businesses. Formalisation can benefit businesses by providing legal recognition, protection from harassment, and opportunities for market expansion. For formalisation, eligible enterprises eligible for formalisation apparently need greater motivation to formalise to overcome fear of taxation. The opportunities offered by formalisation that these businesses are aware of does not provide sufficient motivation.
12. Informal workers do not necessarily have to be formalised for socio-economic and financial inclusion. A complete transition to formal work is highly unlikely as formal jobs often come with rigid schedules and limited flexibility, which conflict with the caregiving and household responsibilities that women manage. Women desire an arrangement that combines the flexibility and accessibility of informal roles with the regular income and social benefits associated with formal employment. Additionally, women, especially older women or those with limited education and skills, often face restricted access to formal employment opportunities, as these sectors tend to favour younger or more skilled workers.
13. Workers have low awareness of schemes like the NSSF and face challenges in accessing them due to employer resistance and prohibitive registration processes. Discrimination, lack of clear systems, and limited access to services away from home communes pose significant barriers to access.
14. It is important to recognise the inherent diversity and flexibility of informal employment, ensuring that workers benefit from inclusion without disrupting their livelihoods or imposing rigid structures that may not align with the realities of their lives. Targeted interventions can be designed for the inclusion of informal workers within their existing setups and address the key challenges these workers face.

6. RECOMMENDATIONS

Key systemic interventions and/or services to increase women's socioeconomic and financial inclusion:

ENHANCING CAPABILITIES



TVET policy implementation and awareness promotion:

The awareness and outreach of skill development programmes under TVET Policy 2017-2025 needs to be enhanced. Out of 160+ respondents interviewed, only two received skill training and another woman was aware of skill training programmes. Clearly, there is a gap in the implementation of these programmes which have the potential to increase women's economic empowerment. A common request echoed across groups was for the provision of free-of-charge skills training in the form of short courses to equip women to find jobs and own businesses. Some of the suggested interventions are:

- i. **Community engagement:** Collaborating with local authorities, community leaders, and NGOs to organise awareness campaigns and workshops in rural and urban areas to enhance dissemination efforts and last mile delivery.

- ii. **Leveraging audio visual media:** Using television ads, social media, SMS, and other digital channels to disseminate information about skill development programmes, eligibility criteria, and application procedures.
- iii. **Establishing information and counselling kiosks:** Working with secondary schools to integrate information about TVET programmes into their curriculum and career counselling services. Establishing one-stop centres where workers can access information, counselling, and application services for various skill development programmes.
- iv. **Regular assessment:** Conducting periodic assessments to evaluate the effectiveness of outreach and awareness campaigns. Using this data to identify gaps and refine strategies to improve programme delivery.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

This recommendation aligns well with the priority areas related to Women's Economic Empowerment and Leadership and Governance. By promoting TVET awareness and accessibility, the recommendation supports addressing the evident gap in formal sector participation and promotes gender-responsive and inclusive economic development. Collaborating with local leaders and NGOs to increase outreach mirrors the strategy of involving community stakeholders to amplify gender mainstreaming efforts and promote women's participation in the labour force. The plan emphasises reducing geographic and economic barriers to women's economic participation – this can be achieved by using digital media and kiosks (innovative solutions for bridging the information gap), setting up mobile training units to develop capacity in remote areas. The recommendation to conduct regular assessments is consistent with NRV's focus on evidence-based policymaking and continuous improvement in programme delivery. The monitoring and evaluation of NRV has not been fully implemented and needs to be strengthened to track effectiveness of the strategic plan going forward.



Entrepreneurial skill development

This follows the first recommendation on skills training for entrepreneurship. Rigorous skill assessment can be used to identify women with the potential to succeed as entrepreneurs. Selected women could be supported in acquiring entrepreneurial skills. This can be achieved by designing focused coaching and mentoring/handholding programmes that are responsive to women's needs, including guidance on money management and voluntary savings, business development, negotiation skills, budgeting, marketing, and record-keeping. Assign experienced mentors to support women entrepreneurs for at least three to five years and improve access to markets and networking opportunities.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

This recommendation aligns well with the priority area of Women's Economic Empowerment which can be achieved by improving access to financial services and promoting entrepreneurship. The suggestion to provide ongoing mentoring and improve market access for women entrepreneurs complements the Women in Leadership and Governance pillar.

PROVIDING POTENTIAL OPPORTUNITIES



Offer government-backed start-up capital tailored specifically for women and sensitisation of financial institutions.

A majority of the sampled women view business ownership as the means to achieve financial independence and security, while simultaneously being able to manage domestic duties. However, they are hesitant to take loans, fearing an inability to repay due to unstable incomes and uncertain business prospects, especially in the early stages. To empower women to establish their own businesses, the government could work with the vibrant microfinance sector in Cambodia for focused lending to women's enterprises. Selected MFIs could be persuaded to lend to such enterprises. This programme would provide collateral-free loans to women who have demonstrated a strong entrepreneurial spirit and business acumen following a skill assessment. **Sensitising the management of financial institutions to the**

needs of women entrepreneurs would help to design effective and inclusive financial products. Credit products should be based on a thorough assessment of repayment capacity, considering the nature of the enterprise, seasonal fluctuations, and cash flow patterns. For instance, farmers could benefit from flexible repayment plans, such as bulk payments during peak seasons and smaller instalments during lean periods, ensuring financial products are better aligned with their business realities.

♦ **ALIGNMENT WITH NEARY RATTANAK VI:**

This also aligns with the priority area of Women's Economic Empowerment. Providing women with financial literacy and business management training complement the plan's key focus areas of promoting women's financial independence and decision-making capacities. This is in line with the strategic goal of developing the capacity of women to lead in the economy.

The first three recommendations integrate well with NRVI's vision of empowering women economically, providing them with the tools they need to thrive in entrepreneurship, and ensuring that financial systems are more accessible and responsive to their needs.



Create workplace-friendly environments such as establishing designated vending zones and implementing security measures:

Street vendors face the challenge of uncertain and unpredictable incomes due to the lack of designated vending zones with legal provisions for them to do business. This can be addressed by establishing designated vending zones in bustling commercial areas and tourist spots. These zones should be strategically located to minimize disruption of traffic and ensure public safety. Additionally, comprehensive security considerations are essential to promote women's economic development. Suggested measures include the installation of adequate lighting in workspaces and surrounding areas, accessible and safe transportation, especially during late hours, and surveillance systems to deter potential harassment.

♦ **ALIGNMENT WITH NEARY RATTANAK VI:**

This recommendation aligns with the priority area of Women's Economic Empowerment and supports the key intervention listed under this priority: Creating work-friendly environments. It provides actionable measures for implementation, focusing on enhancing women's occupational safety – a crucial aspect of creating inclusive and supportive workplaces.

MOTIVATING WOMEN TO UNDERTAKE FORMAL EMPLOYMENT



Reduce dropouts from the formal economy

The discussions revealed a pattern of transition from formal to informal work which can be attributed to two primary reasons: First, women shoulder the bulk of unpaid care work, including childcare and eldercare, which limits their ability to participate in formal employment. Many women cannot afford to outsource care work, leading to reduced income potential and limited career advancement opportunities.⁷⁰ The second reason is a lack of comfortable working conditions in formal workplaces such as garment factories, where women are expected to work continuously without breaks. Some suggested interventions are:

- i. **Establish care services to address the burden of unpaid care and domestic work:** The findings of this study reinforce the need for the development and implementation of a National Action Plan on Care Economy. There are not many professional childcare, elder care, and other care support options available.

⁷⁰<https://cdri.org.kh/project/care-economy-and-unpaid-care-work-of-women-in-cambodia>

The care services sector in Cambodia needs more investment. Create a care service sector that is affordable, accessible, inclusive and culturally appropriate. In addition, the gender norms that dictate that care work should only be done by women need to be challenged.

- ii. **Flexible work arrangements:** Offer flexible work arrangements in the formal sector, such as remote work or flexible hours or early release from work, to accommodate specific needs. Workplace supervisors could be trained in measures to improve worker productivity, set reasonable targets, and build positive working relationships with employees.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

The suggestions describe here are aligned to the priority area of Women's Economic Empowerment as well. One of the priorities of NRVI is "Promoting a care economy, life-family-work balance programme and a workplace-friendly environment for women engaged in economic activity". NRVI acknowledges the need to set up crèches (day care centres) to promote the care economy and create opportunities for women's economic and social development.



Enhance accessibility and inclusion in workplaces:

The formal economy lacks adequate provisions and mandates to ensure inclusion of persons with disabilities. There is a lack of disability assistive infrastructure in schools as well as workplaces. Ensure buildings have ramps and elevators to facilitate easy movement for wheelchair users and individuals with mobility impairments. Design and modify doorways to accommodate wheelchairs. Provide necessary assistive technology, such as screen readers, speech recognition software, and ergonomic workstations, to support employees with disabilities. Enforce the allotment of quota for persons with disabilities in both public and private companies.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

The suggestion to build inclusive infrastructure aligns with one of the strategic plan's core priorities i.e. to ensure inclusive socio-economic development for all women, including those with disabilities.

REINFORCING COM-B EFFORTS BY SUPPORTING BEHAVIOUR CHANGE



Address harmful gender norms and biases:

The first step for the integration of the Gender Equality and Social Inclusion (GESI) lens is acknowledging and addressing the inherent societal biases that place men and women on unequal footing. Specific recommendations are provided below.

- i. **Targeted workshops** for women/LGBT+/women with disabilities that provide opportunity to bring forth the challenges they face due to the deeply rooted biases and systemic barriers that hinder gender equality, social inclusion, and accessibility, particularly in the context of workplaces and communities. Public speaking, negotiation, and financial literacy training must be integrated into these sessions. Programmes such as vocational training for home-based workers or women artisans can include subsidies for participation and childcare support during workshops. Mobile-based learning platforms can help to overcome mobility constraints.
- ii. **Sensitisation drives**, in parallel, for men, heterosexual groups and abled people as these groups often hold positions of influence and decision-making power in domestic and professional contexts. Sensitising them to the challenges faced by marginalized groups is essential for fostering inclusive behaviour, equitable workplaces, and supportive communities. Engaging with NGOs, community leaders, religious leaders, and other influential figures to design programmes that highlight successful women in non-traditional roles – such as entrepreneurs or leaders in men-dominated industries – can serve as powerful examples. Showcase best

practices to the private sector (including factories) on disability inclusion and raise awareness on how they can practically ensure accessibility and reasonable accommodation for persons with disabilities and create environments that are conducive to their growth. These drives would create a ripple effect, empowering marginalised groups while encouraging the broader population and private sector to actively contribute to an inclusive, equitable society.

iii. Integrate gender sensitive education in school curricula to challenge traditional gender roles and stereotypes from a young age. This can help girls develop self-confidence, critical thinking skills, and aspirations for higher education and careers – and condition boys into thinking that they are equally responsible for domestic work.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

Two suggestions align with the priority area “Women Economic empowerment – Promoting women’s participation in labour market.” This can be achieved by (i) adopting a twin-track approach of combining targeted measures such as trainings for women, LGBT+ individuals, and persons with disabilities with systemic mainstreaming (e.g., sensitisation of men, private sector advocacy); (ii) advocacy programmes with boys, men, local leaders, and NGOs to challenge entrenched gender and social norms that limit women’s participation in work force. The suggestion to showcase women leaders in non-traditional roles is an application of “Promoting women in leadership”, a stated objective of the plan.

Intersectionality and inclusion are prominent themes in the policy which discusses support for women, children, persons with disabilities, and other vulnerable groups (LGBT+, Indigenous people). The proposition for showcasing best practices for disability inclusion and advocating for equitable opportunities in factories and businesses that empower vulnerable groups aligns with the plans for collaboration with the private sector to promote inclusivity and empowerment.



Scale up outreach initiatives by collaborating with NGOs and leveraging social media to empower women with knowledge of their rights and encourage them to assert those rights:

The government has provided a voluntary-participation healthcare fund for self-employed persons including entertainment workers, domestic helpers, small shop owners, and tuk-tuk drivers. The government has also mandated that employers with more than five employees should register their workers with the NSSF. However, the study showed a lack of awareness of health care schemes among informal workers, except tuk-tuk drivers who are associated with the Independent Democracy of Informal Economy Associations (IDEA), an informal workers advocacy group. Further, despite knowing about the benefits, women may not be confident enough to seek social protection benefits from their employers and ensure adherence to labour laws. Organise mass awareness drives and provide comprehensive advocacy rights training in collaboration with NGOs to equip women with clear and concise information about relevant labour laws and other social protection benefits. Women could also be trained in effective communication and negotiation techniques to interact with employers and government officials.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

As mentioned above, this recommendation mirrors key priorities outlined in NRVI: “Involving community stakeholders” and “leveraging digital technology” to amplify gender mainstreaming efforts. The recommendation supports ongoing dissemination efforts aimed at enhancing the knowledge of women and girls about their rights and empowering them to exercise those rights.



Develop and implement a wellbeing framework for informal workers:

Private actors can significantly contribute to Cambodia’s informal sector by adopting strategies such as those of Zomato, an India-based food delivery company (with informal workers) that has introduced a wellbeing framework for its delivery team. This could be relevant as the food delivery companies in Cambodia employ women riders. It covers the social, financial, physical, mental, and professional well-being of informal agents. The components discussed in the framework are payouts and earnings; customer experience; grievance redressal; health and safety; financial literacy and social security; attire and assets; diversity and respect.⁷¹ The framework applies to the informal economy at large. Through

⁷⁰<https://zomatoblog.com/wp-content/uploads/2024/10/DP-Well-Being-Press-Release.pdf>

extensive deliberations, design a similar framework with indicators of relevance and importance to female workers throughout the economy. Use feedback from workers to evaluate well-being initiatives and identify action points.

The design of the framework can be a joint effort by the UN and the government. The government's role would be to create an enabling environment in which the private sector takes responsibility for workers and is willing to implement measures for worker welfare. The government could introduce incentives attached with adoption and public declaration, recognising the companies that comply and gradually integrating minimum standards into labour policies. Private companies, especially those employing informal workers, can be persuaded to voluntarily adopt the framework as part of their human resource management strategy, tailoring initiatives based on worker feedback.

◆ **ALIGNMENT WITH NEARY RATTANAK VI:**

This recommendation supports the overarching goals of NRVI of promoting inclusive and equitable development of women. In fact, the proposition to devise a wellbeing framework is applicable for the informal economy and will support Cambodia's commitment to achieving the Sustainable Development Goals.

The recommendations provided above could emphasise targeted inclusion measures for intersectional groups to align with the GESI components of NRVI while addressing practical barriers that prevent women from fully participating in the economy.

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ANNEX 2 SAMPLE COMPOSITION

Box 1: KII Sample

Key informants	Sample, 15
Government <ul style="list-style-type: none"> Ministry of Economy and Finance (MEF) Ministry of Women Affairs (MoWA) Ministry of Labour and Vocational Training (MoLVT) 	3
UNCT <ul style="list-style-type: none"> ILO UN Population Fund (UNFPA) UN-Women 	3
Non-Governmental Organizations <ul style="list-style-type: none"> Oxfam CARE Banteay Srei Gender And Development for Cambodia (GADC) Cambodian Disabled People's Organization (CDPO) 	5
Financial Institutions <ul style="list-style-type: none"> Chamreoun MFI Sathapana bank Philip bank AMK 	4

Box 2: FGD Sample

Province	Group profile*
Banteay Meanchey, 5	<ul style="list-style-type: none"> Agri-labourers (8) Scrap collectors (8) Entertainment (KTV) workers (7) LGBT+ group (8) Men with female household members in informal employment (9)
Kampot, 5	<ul style="list-style-type: none"> Agri-labourer (9) Food processing factory workers (8) Entertainment (KTV) workers (8) Street vendors (6) Workers in hospitality sector (7)

Phnom Penh, 6	<ul style="list-style-type: none"> • Domestic helpers (9) • Construction workers (8) • Tuk-tuk drivers (6) • Garment factory workers (mixed formal and informal) (12) • Women with disabilities (8) • Women with formal employment (7)
Ratanakiri, 4	<ul style="list-style-type: none"> • Micro-business owners and informal workers (mixed) (10) • Indigenous women (10) • Women owning formal business (5) • Men with female household members in formal and informal employment (8) • Men with female household members in formal and informal employment (8)

***READ WORKERS AS WOMEN WORKERS UNLESS SPECIFIED.**

Box 3: IDI Sample

- Informal female workers identified from the FGDs (6) – agri-labourer, scrap collector, tuk-tuk driver, microbusiness owners, LGBT+ person in makeup industry, Indigenous woman,
- Female micro-entrepreneurs – formal (2) and informal (2)
- Male owners of formal (1) and informal (1) businesses with female employees

ANNEX 3 ICEBERG MODEL ANALYSIS

The box below presents a summarised view of the structural and behavioural drivers of informal employment using the iceberg model, designed following UNDP's suggestion at the inception phase to show how women's employment decisions result from a complex interplay of factors operating at multiple levels – some visible and immediate, others psychological or systemic.

Events (What are the events we see happening?)	<p>Education level among women is low. Among the sample of informal workers, 66% have studied up to lower secondary level and 15% have never attended school. This serves as a strong indicator of the low paid economic activities that are accessible to the category of women covered by this study.</p> <p>Formal work is commonly found in urban areas. For informal work women tend to work close to home.</p> <p>Transition of female workers from formal to informal employment.</p> <p>Women are frequently transitioning between different informal work opportunities to maximise their earnings and balance their personal commitments.</p> <p>Some segments of informal self-employed workers have access to NSSF's Social Health Insurance Scheme.</p>
Patterns (What are the patterns giving rise to those events? What trends are forming? What patterns of connection do we see between the events? How are the conditions for women to enter informal roles are created?)	<p>Limited knowledge of formal employment opportunities, financial constraints, and misconceptions about formal work requirements contribute to Cambodia's high informal employment rate (88%). The ease of entry into informal work, coupled with the perceived risks of formalisation perpetuates this trend.</p> <p>Women prioritise informal work due to its flexibility and alignment with their social roles and economic constraints. They often lack the financial means to outsource caregiving, necessitating their involvement in both work and household responsibilities.</p> <p>Women with disabilities are likely to face rejections from the formal sector because of their disability, pushing them into informal work.</p>

	<p>Women often transition from formal to informal work due to the latter's flexibility in terms of working hours and proximity to home. Informal work allows them to better balance work and family responsibilities, a challenge often posed by the rigid schedules of formal jobs.</p> <p>LGBT+: Discrimination and a lack of inclusive work environments in formal workplaces often push LGBT+ individuals towards informal employment, where they feel more accepted. Similarly, Indigenous women who work outside their villages are often stigmatized for neglecting their family responsibilities.</p> <p>Women with disabilities: Rigid working hours and physical demands of certain formal jobs, like garment factory work, can be challenging for women with disabilities. Additionally, mobility limitations often restrict their employment choices to jobs closer to home.</p>
	<p>Micro-entrepreneurs, both male and female, often prefer to keep their businesses informal due to the associated flexibility and reduced regulatory burden. Formalisation can involve significant compliance costs and time, which many micro-entrepreneurs are unwilling to bear. Additionally, informal businesses often have easier access to financing, further reducing the incentive to formalise.</p>
	<p>Lack of health insurance is the main disadvantage of informal employment. Some self-employed workers such as tuk-tuk drivers are able to reap the benefits of NSSF's Social Health Insurance Scheme by depositing USD \$4 per month. As a result, they continue to work informally.</p>
<p>Structures (What underlying structures are helping produce these patterns of events? What processes, practises, and policies are helping perpetuate them? What power structures are reinforcing them?)</p>	<p>Systemic barriers that perpetuate the dominance of informal employment are deficiencies in infrastructure, such as inadequate public transportation that hinder accessibility to formal workplaces, especially for those residing in rural areas.</p> <p>Women with disabilities: The lack of disability-friendly infrastructure limits opportunities for women with disabilities, leading them into the informal sector.</p> <p>Age: Older women report facing discrimination when seeking employment in factories, prompting them to start their own small businesses in pursuit of income security.</p>
	<p>The absence of gender-responsive policies and limited awareness of TVET programmes, coupled with the misconception by official agencies of equal opportunities, contributes to women's persistence in informal employment. Rigid gender roles and social norms exacerbate this issue.</p> <p>LGBT+: Lack of inclusive workplaces and insufficient legal protections for LGBT+ rights can leave individuals vulnerable to discrimination, harassment, and unfair treatment.</p>

⁷²<https://www.phnompenhpost.com/national/gov-t-aims-to-extend-social-protection-to-88-of-informal-workers-by-2028> para 7

	The complex and ambiguous tax system in Cambodia is a major barrier to formalisation of informal businesses. The fear of penalties, legal repercussions, and administrative burdens often deters informal businesses from formalising.
	The government launched the National Strategy for Informal Economic Development 2023-2028, aiming to extend social protection to 88% of informal workers by 2028. By November 2024, 408,668, self-employed workers had enrolled for NSSF benefits. Due to this, the incentive for informal workers to transition to formal work diminished.
Mental models (What underlying values, assumptions, or beliefs are helping produce these patterns of events?)	<p>Informal employment, with its flexible hours, offers a viable solution for women to reconcile their dual roles as caregivers and breadwinners (to support family when men do not earn a sufficient income). Moreover, internalised traits associated with gender norms influence women's perceptions of their capabilities and aspirations. The belief that women are inherently better suited to domestic roles, driven by a family orientation and the perception of caregiving as their special responsibility, limits their choices.</p> <p>While women may perceive themselves as autonomous decision makers, their choices are often influenced by societal expectations and familial pressures. Major life decisions, especially those that deviate from traditional gender roles, often involve consultation or approval from men family members. This suggests that women's agency in economic decision-making can be limited by social and cultural norms.</p> <p>Women in informal roles find stability and job satisfaction in their routines, which offer flexibility, autonomy and comparatively less pressure than formal roles. Emotional factors including a desire for respect and past negative experiences in formal sectors, influence their commitment to informal work. Financial independence (with limited education) and the ability to balance caregiving responsibilities reinforce their attachment to informal activities.</p>
	Many women entrepreneurs rely on personal savings to start their businesses due to a fear of debt and the potential consequences of defaulting on loans. This fear is exacerbated by the lack of formal employment contracts and income security in the informal sector.
	Indigenous groups: The persistence of traditional gender roles within Indigenous communities is deep-rooted in traditional beliefs and practices that often reinforce gender stereotypes, confining women to domestic roles and discouraging them from pursuing careers outside the home. The fear of social ostracism and negative judgment can deter women from challenging gender norms and pursuing non-traditional roles, but eventually, their economic situation outweighs social stigma associated with their work.
	LGBT+ individuals may perceive informal work as a safer and more secure option, as it allows them to avoid the potential for discrimination and harassment in formal settings. However religious and cultural norms, particularly in conservative societies, also limit their opportunities and forces them into specific types of work.



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